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CCEP Holdings Sverige AB

20230703116270

Årsredovisning

2022

DS F
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DS LDH
DS SW
DS SEM
DS SAB

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Årsredovisning för CCEP Holdings Sverige AB 2022

Förvaltningsberättelse

Styrelsen för CCEP Holdings Sverige AB avger härmed årsredovisning för räkenskapsåret 1 januari 2022 - 31 december 2022.

Allmänt om verksamheten

Föremålet för bolagets verksamhet är att inneha och förvalta aktier och annan lös egendom och annan relaterad verksamhet.

Flerårsöversikt

	2022	2021	2020	2019
Nettoomsättning		-	-	-
Resultat e. finansiella poster	8 362 862	8 499 512	8 601 511	8 506 977
Resultat från andelar i koncernföretag	32 303 097	38 187 779	29 136 589	39 419 622
Balansomslutning	465 223 361	458 687 706	432 801 301	420 951 866
Eget kapital	40 297 500	44 713 256	34 419 739	31 532 701
Soliditet (Eget kapital/Balansomslutning)	0.09	0.10	0.08	0.08

Väsentliga händelser under räkenskapsåret

Under 2022 har bolaget mottagit koncernbidrag på 51 617 793 EUR.

Specifikation över förändring I eget kapital

	Bundet eget kapital		Fritt eget kapital		
	Aktie kapital	Aktieägar-tillskott	Balanserat resultat	Årets resultat	Totalt
Ingående balans 1 januari 2022	**6 000**	**10 000 000**	**4 413 739**	**30 293 517**	**44 713 256**
Årets resultat 2021	-	-	30 293 517	-30 293 517	-
Utdelning	-	-	-30 000 000	-	-30 000 000
Årets resultat	-	-	-	25 584 244	25 584 244
Utgående balans	**6 000**	**10 000 000**	**4 707 256**	**25 584 244**	**40 297 500**

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Förslag till vinstdisposition

Styrelsen föreslår att disponibla vinstmedel fördelas enligt följande,

Balanserat resultat		4 707 256
Årets resultat		25 584 244
	EUR	30 291 500

Vinstmedel fördelas enligt följande,

I ny räkning balansera		5 291 500
Till aktieägarna utdelas		25 000 000
	EUR	30 291 500

Beträffande företagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkning. Alla belopp är i EUR där annat ej anges.

Styrelsens yttrande över den föreslagna vinstutdelningen

Soliditet om 3 % är låg, men anses ändå betryggande mot bakgrund av att bolagets verksamhet fortsatt bedrivs med lönsamhet. Likviditeten i bolaget bedöms kunna upprätthållas på en likaledes betryggande nivå.

Styrelsens uppfattning är att den föreslagna utdelningen ej hindrar bolaget från att fullgöra sina förpliktelser på kort och lång sikt, ej heller att fullgöra erforderliga investeringar. Den föreslagna utdelningen kan härmed försvaras med hänsyn till vad som anförs i ABL 17 kap 3 § 2-3 st. (försiktighetsregeln).

Företagets resultat och ställning i övrigt framgår av efterföljande resultat- och balansräkning samt kassaflödesanalys med noter.

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RESULTATRÄKNING

	Not	2022-01-01- 2022-12-31	2021-01-01- 2021-12-31
Resultat från andelar i koncernföretag		-	-
Valutakursvinst/-förlust		-10 854	-40 053
Räntekostnader och liknande resultatposter	5	-8 352 008	-8 459 459
Resultat efter finansiella poster		**-8 362 862**	**-8 499 512**
Koncernbidrag		51 617 793	59 491 637
Bokslutsdispositioner		-10 951 834	-12 804 346
Resultat före skatt		**32 303 097**	**38 187 779**
Skatt på årets resultat	8	-6 718 853	-7 894 262
ÅRETS RESULTAT		**25 584 244**	**30 293 517**

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BALANSRÄKNING

TILLGÅNGAR	Not	2022-12-31	2021-12-31
Anläggningstillgångar			
Finansiella anläggningstillgångar			
Andelar i koncernföretag	4	375 509 810	375 509 810
		375 509 810	**375 509 810**
Summa anläggningstillgångar		**375 509 810**	**375 509 810**
Omsättningstillgångar			
Kortfristiga fordringar			
Fordringar hos koncernföretag		86 874 943	81 257 724
Aktuell skattefordran		2 837 240	1 919 032
Förutbetalda kostnader och upplupna intäkter		1 368	1 140
Summa omsättningstillgångar		**89 713 551**	**83 177 896**
SUMMA TILLGÅNGAR		**465 223 361**	**458 687 706**

EGET KAPITAL OCH SKULDER	2022-12-31	2021-12-31
Eget kapital		
Aktiekapital (6 000 aktier)	6 000	6 000
Aktieägartillskott	10 000 000	10 000 000
Balanserat resultat	4 707 256	4 413 739
Årets resultat	25 584 244	30 293 517
Summa eget kapital	**40 297 500**	**44 713 256**
Obeskattade reserver		
Periodiseringsfond	47 445 255	36 493 421
	47 445 255	**36 493 421**
Långfristiga skulder		
Långfristiga skulder till koncernföretag	372 182 723	372 182 723
	372 182 723	**372 182 723**
Kortfristiga skulder		
Kortfristiga skulder till koncernföretag	5 297 883	5 298 306
Aktuell skatteskuld	-	-
	5 297 883	**5 298 306**
SUMMA EGET KAPITAL OCH SKULDER	**465 223 361**	**458 687 706**

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Not 1 Redovisningsprinciper

Alla belopp är i EUR där annat ej anges.

Årsredovisningen har upprättats i enlighet med Årsredovisningslagen (1995:1554) och BFNAR 2012:1 Årsredovisning och koncernredovisning (K3).

Fordringar har upptagits till det belopp varmed de beräknas inflyta. Övriga tillgångar och skulder har värderats till anskaffningsvärde respektive nominellt värde om ej annat anges i not nedan.

Fordringar och skulder

Fordringar och skulder i utländsk valuta har värderats till balansdagens kurs. Kursvinster och kursförluster på rörelsefordringar och rörelseskulder redovisas i rörelseresultatet medan kursvinster och kursförluster på finansiella fordringar och skulder redovisas som finansiella poster.

Not 2 Uppgifter om moderbolag

Coca-Cola Europacific Partners Holdings Sverige AB är moderföretag för Coca-Cola Europacific Partners Sverige AB men upprättar ingen koncernredovisning med hänvisning till Årsredovisningslagen kap. 7 § 2. Närmast överordnade moderföretag som upprättar koncernredovisning i vilken företaget ingår är Coca Cola Europacific Partners Plc. (regisration) med säte i Uxbridge, UK och koncernredovisning kan erhållas därifrån. Adress Bakers Rd, Uxbridge UB8 1EZ, UK.

Not 3 Anställda

Bolaget har ingen personal anställd.

Not 4 Andelar i koncernföretag

Företagets namn	Org.nr	Säte	Eget kapital 2022-12-31 i SEK	Andel ar	Bokfört värde 2021-12-31 i EUR	Bokför värde 2022-12-31 i EUR
Coca-Cola Europacific Partners Sverige AB	556471-8301	Stockholm	467 362 000	100%	375 509 810	375 509 810

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Not 5 Räntekostnader och liknande resultatposter

	31/12/2022	31/12/2021
Räntekostnader på skulder till koncernföretag	- 8 481 917	- 8 444 988
Bankavgifter	- 491	- 537
Övriga räntekostnader från tredje part	- 12 843	- 13 934
Räntekostnader på cash poolkonto till koncernföretag	143 243	-
	- 8 352 008	- 8 459 459

Not 6 Vinstdisposition

Styrelsen föreslår att disponibla vinstmedel fördelas enligt följande,

Balanserat resultat		4 707 256
Årets resultat		25 584 244
	EUR	30 291 500

Vinstmedel fördelas enligt följande,

I ny räkning balansera		5 291 500
Till aktieägarna utdelas		25 000 000
	EUR	30 291 500

Not 7 Ställda säkerheter och eventualförpliktelser

	2022-12-31	2021-12-31
Ställda säkerheter	Inga	Inga
Eventualförpliktelser	Inga	Inga

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Not 8 Skatt på årets resultat

	2022	2021
Resultat före skatt	32 303 097	38 187 779
Bokförda kostnader som inte ska dras av	312 696	133 881
Överskott av näringsverksamhet	32 615 793	38 321 659
Skattesats	*20.6%*	*20.6%*
Aktuell skatt	6 718 853	7 894 262

Haninge, 26.06.2023

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Frank Govaerts
8C405F532AB24BD...

Frank Govaerts
Styrelseordförande

DocuSigned by:
E5EC95228042448...

Sara Wagrowski
Styrelsemedlem

DocuSigned by:
Frits van Zijdervelt
1830C5A6C17942C...

Coenraad Fredrik van Zijdervelt
Styrelsemedlem

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Sofie Eliasson Morsink
97B382466B8345E...

Sofie Eliasson Morsink
Styrelsemedlem

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Leendert Den Hollander
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Leendert den Hollander
Styrelsemedlem

Vår revisionsberättelse har avgivits den
Ernst & Young AB

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Stefan Andersson Berglund
5B78E3D4638D454...

Stefan Andersson-Berglund
Auktoriserad revisor

DocuSign

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frank.govaerts@ccep.com
Director
of the Board
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Signature

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Sent: 26-06-2023 | 16:03
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Frits van Zijdervelt
fvanzijdervelt@ccep.com
Director
Coca-Cola European Partners
Security Level: Email, Account Authentication (None), Access Code

Electronic Record and Signature Disclosure:
Accepted: 26-06-2023 | 21:16
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Signed: 26-06-2023 | 21:16

Leendert Den Hollander
leendert.denhollander@ccep.com
Security Level: Email, Account Authentication (None), Access Code

Electronic Record and Signature Disclosure:
Accepted: 28-06-2023 | 08:09
ID: 0e073fdb-87f2-4341-8d4a-79609afcb8a8

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Leendert Den Hollander
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Signature Adoption: Pre-selected Style
Using IP Address: 88.22.3.229

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Resent: 28-06-2023 | 06:20
Viewed: 28-06-2023 | 08:09
Signed: 28-06-2023 | 08:09

Sara Wagrowski
swagrowski@ccep.com
Director of the Board
Coca Cola European Partners CVBA
Security Level: Email, Account Authentication (None), Access Code

Electronic Record and Signature Disclosure:
Accepted: 26-06-2023 | 16:03
ID: 24b3946b-b35d-4478-9407-3f842448fb28

DocuSigned by:
E5EC95228042448...

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Using IP Address: 82.196.111.85

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Viewed: 26-06-2023 | 16:03
Signed: 26-06-2023 | 16:03

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Sofie Eliasson Morsink seliassonmorsink@ccep.com VD Security Level: Email, Account Authentication (None), Access Code	DocuSigned by: Sofie Eliasson Morsink 97B38246698345E... Signature Adoption: Pre-selected Style Using IP Address: 195.75.235.235	Sent: 26-06-2023 | 16:03 Viewed: 26-06-2023 | 16:08 Signed: 26-06-2023 | 16:08

Electronic Record and Signature Disclosure:
Accepted: 26-06-2023 | 16:08
ID: d23e2f49-8bf7-4940-bf79-a35a1ee01709

Stefan Andersson Berglund stefan.andersson-berglund@se.ey.com Security Level: Email, Account Authentication (None), Access Code	DocuSigned by: Stefan Andersson Berglund 5B78E3D4638D454... Signature Adoption: Pre-selected Style Using IP Address: 92.34.224.252	Sent: 26-06-2023 | 16:03 Resent: 28-06-2023 | 06:20 Resent: 28-06-2023 | 08:08 Viewed: 28-06-2023 | 08:21 Signed: 28-06-2023 | 08:22

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Envelope Sent	Hashed/Encrypted	26-06-2023 | 16:03
Certified Delivered	Security Checked	28-06-2023 | 08:21
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FASTSTÄLLESLEINTYG TILL ÅRSREDOVISNING

Intyg om att balansräkningen och resultaträkningen har fastställts

Certification that the balance sheet and income statement have been adopted

Undertecknad styrelseledamot i CCEP Holdings Sverige AB, 556815-5369 intygar, dels att denna kopia av årsredovisningen stämmer överens med originalet, dels att resultaträkningen och balansräkningen har fastställts på årsstämma den 30 juni 2023. Årsstämman beslutade att godkänna styrelsens förslag till hur resultatet ska disponeras.

The undersigned board member of CCEP Holdings Sverige AB, 556815-5369 hereby certifies that this copy of the annual report conforms to the original and that the income statement and balance sheet were adopted on 30 June 2023. The annual general meeting resolved to adopt the board's proposal regarding the allocation of the company's profit.

Haninge den 30 juni 2023

Haninge 30 June 2023

Sara Wagrowski

Styrelseledamot

Head of Legal Sweden

swagrowski@ccep.com

+46 70 648 59 06

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Building a better working world

Revisionsberättelse

Till bolagsstämman i CCEP Holdings Sverige AB, org.nr 556815-5369

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för CCEP Holdings Sverige AB för räkenskapsåret 2022.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av CCEP Holdings Sverige ABs finansiella ställning per den 31 december 2022 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till CCEP Holdings Sverige AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om styrelsen avser att likvidera bolaget, upphöra med verksamheten eller inte har något realistiskt alternativ till att göra något av detta.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om att årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risken för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.
- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Penneo dokumentnyckel: K7DYX-1PD3-5O2PU-OG3YE-XIWNBZ-HCK3D

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Building a better working world

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning av CCEP Holdings Sverige AB för räkenskapsåret 2022 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet *Revisorns ansvar*. Vi är oberoende i förhållande till CCEP Holdings Sverige AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Stockholm den dag som framgår av vår elektroniska underskrift

Ernst & Young AB

Stefan Andersson Berglund
Auktoriserad revisor

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STEFAN ANDERSSON BERGLUND
Auktoriserad revisor
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Coca-Cola EUROPACIFIC PARTNERS

Further together

Integrated Report and Form 20-F

2022

We are going further together by combining the strength and scale of our large multinational business with an expert, local knowledge of the customers we serve and communities we support.

Our success is built on three pillars: great people, great service and great beverages. All done sustainably.

A guide to using this report
For optimal experience, it is recommended that this document is viewed in Adobe Acrobat Reader. Interactive functionality may not work when viewed in a web browser or other PDF readers.

Navigation buttons

- Return to contents
- Page forward
- Page forward
- Return to previous page
- Search

None of the websites referred to in this Annual Report on Form 20-F for the year ended 31 December 2022 (the Form 20-F), including where a link is provided, nor any of the information contained on such websites, are incorporated by reference in the Form 20-F.

Coca-Cola Europacific Partners plc Registered in England & Wales, Company number 09717350

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Visit our online Integrated Report
at cocacolaep.com/investors/financial-reports-and-results/latest-integrated-report

Who we are

Coca-Cola Europacific Partners is one of the world's leading consumer goods companies – making, moving and selling some of the world's most loved brands.

We serve the world's best brands to millions of people, businesses and communities every day.

Everything we do is built on three strategic pillars: great people, great service and great beverages. Done sustainably, for a better shared future.

And our success is defined by the passion, hard work and commitment of the 33,000 people who work here at Coca-Cola Europacific Partners (CCEP).

Revenue
€17.3bn

Europe
€13.5bn

API
€3.8bn

Comparable operating profit[A]
€2.1bn

Europe
€1,670m

API
€468m

Adjusted free cash flow[A]
€1.8bn

Packaging
48.5%
% of PET used that is recycled PET (rPET)

Climate
9.4%
Absolute reduction in total value chain GHG emissions (Scope 1, 2, 3) since 2019[B]

Read more about our financial and sustainability performance indicators on pages 8-9

(A) Comparable operating profit and adjusted free cash flow are non-GAAP performance measures. Refer to 'Note regarding the presentation of pro forma financial information and alternative performance measures' on pages 74-75 for the definition of our non-GAAP performance measures and to pages 75-85 for a reconciliation of reported to comparable and reported to adjusted results. Adjusted free cash flow excludes cash proceeds related to historical VAT dispute refund in Spain.
(B) The Acquisition of API completed on 10 May 2021. GHG metric is calculated on a full year pro forma basis for 2019 baseline to allow for better period over period comparability.

Our portfolio

Great brands, innovation and value for customers

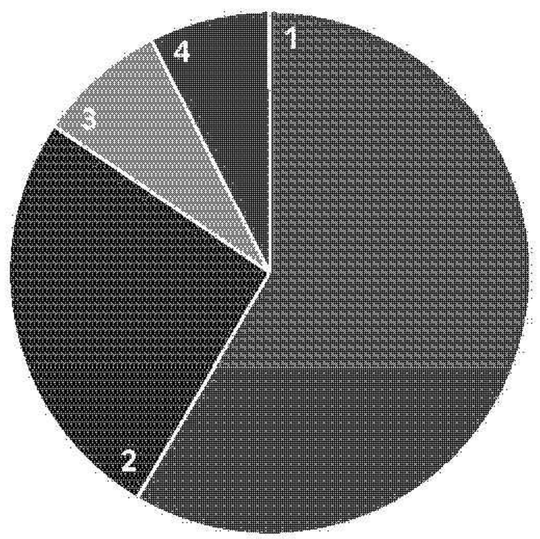
We work with our partners to offer consumers a wide range of quality drinks for every taste and occasion.

We continue to expand our portfolio by growing our core brands, while launching and scaling new products in categories like alcohol and coffee.

Our frontline sales force deliver execution and activation of our brands to support and create value for our customers throughout the year.

We are reducing the environmental impact of our manufacturing, distribution and packaging, as well as delivering on our commitment to reduce sugar across our portfolio and offering more no or low-calorie drinks.

2022 volume by brand category



1	**Coca-Cola**	58.5%
2	**Flavours, mixers and energy**	26.0%
3	**RTD tea, coffee, juices and other**	8.0%
4	**Hydration**	7.5%

Coca-Cola®

Our Coca-Cola brands come in a range of flavours and a great choice of packs, with or without sugar.



More flavours and innovation

In 2022, we provided even more flavour extensions and innovation with a number of limited editions including Coca-Cola Intergalactic; Marshmello's Limited Edition Coca-Cola; and Coca-Cola Dreamworld.

World-renowned supermodel Kate Moss was named as Diet Coke's Creative Director, revealing the highly anticipated creative partnership – Diet Coke by Kate Moss, 'Love What You Love' – celebrating 40 years of Diet Coke and delivering exciting activation.

We also marked the FIFA World Cup 2022 with promotions, limited edition pack designs and in store displays across our channels. This activity focused on attracting consumers and engaging fans across our markets.

We ended the year with engaging Christmas campaigns and promotions to mark the holiday season, which is an important selling moment for CCEP.

2022 key product

Coca-Cola Zero Sugar continued to perform in 2022 and saw volume growth of

+10.0%



2022 volume performance by category

Coca-Cola trademark **+8.0%**

Flavours, mixers and energy **+11.5%**

Hydration **+16.0%**

RTD tea, RTD coffee, juices and other **+7.0%**

See our portfolio
cocacolaep.com/about-us/products

All references to volumes are on a pro forma comparable basis. All changes are versus 2021 equivalent period unless stated otherwise. Non-GAAP performance measure. Refer to 'Note regarding the presentation of pro forma financial information and alternative performance measures' on pages 74-75 for the definition of our non-GAAP performance measures and to pages 75-85 for a reconciliation of reported to comparable results and reported to pro forma comparable results.

Our portfolio continued

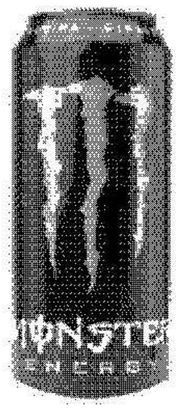
Great brands, innovation and value for customers

Flavours, mixers and energy

Our flavours, mixers and energy category is driving growth for our business and providing a range of great tasting drinks for consumers.

2022 energy volume
Volume growth supported by solid distribution and exciting innovation including Juiced and Ultra flavour extensions from Monster

+18.5%



New flavours, more no and low-calorie options, and engaging activation
In partnership with Monster Energy, we launched the new Monster Reserve range with two new variants – White Pineapple and Watermelon – joining the traditional Monster energy range.

Fanta continued to grow, as we launched new flavours, such as Fanta Raspberry, and the brand celebrated Halloween, supported by marketing, promotions and in store and online execution. For the first time Fanta Lemon, Fanta Fruit Twist Zero, Fanta Grape Zero, and Fanta Raspberry Zero were included in the brand's Halloween activity.

What The Fanta Zero Sugar returned with a new colour and mystery flavour. It was supported by on and off shelf execution.

Sprite launched a major brand refresh along with its first ever global brand platform 'Heat Happens', to help provide a consistent consumer experience around the world.

New Sprite Lemon+ launched, offering an extra hit of zesty lemon flavour, sharp fizz and a kick of caffeine, providing an enticing new option for consumers.



RTD tea, coffee, juices and other

Ready to drink (RTD) remains an important category for our business, with ongoing innovation, and quality brands introduced to new markets.

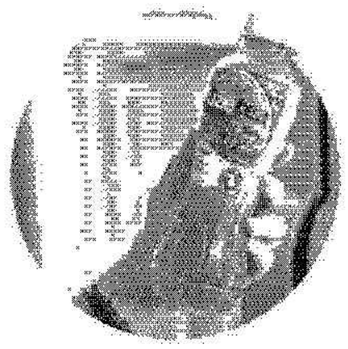


Value share growth for Fuze Tea
In 2022, Fuze Tea continued to be an important part of our portfolio, with further value share gains in Europe.

In Indonesia, we introduced new Frestea Nusantara Original Jasmine Tea, an authentic home brewed tea.

2022 key product
Fuze Tea saw solid volume growth in Europe

+28.0%



Hydration



Category growth following restrictions lifting
Our hydration category provides consumers with a range of beverage choices for any occasion – when on the move, at home or in the gym, for example. It includes waters, flavoured waters, functional waters and isotonic drinks.

Water volumes were up 13.5% vs 2021 reflecting its exposure to immediate consumption across both channels, with the rebound of the away from home channel and increased mobility. Sports drinks volumes were up 23.0% and continue to be popular in both Europe and API.

All references to volumes are on a pro forma comparable basis. All changes are versus 2021 equivalent period unless stated otherwise. Non-GAAP performance measure. Refer to 'Note regarding the presentation of pro forma financial information and alternative performance measures' on pages 74-75 for the definition of our non-GAAP performance measures and to pages 75-85 for a reconciliation of reported to comparable results and reported to pro forma comparable results.

Going further on refillables

CASE STUDY

Refillable glass bottles

Our strategy for prioritising returnable glass bottles (RGB) in the hotels, restaurants and cafés (HoReCa) channel in France, now aligns with the approach we have established in Belgium, Germany, Luxembourg, the Netherlands and Spain. We are now offering all our brands in RGB in the HoReCa channel in France, using a deposit system. This major step forward replaces single use glass bottles with new bottles that can be refilled up to 25 times, saving energy and raw materials.

This move will reduce our carbon footprint because a RGB can have GHG emissions three times lower than a single use glass bottle. The universal format also allows outlets and wholesalers to manage bottle returns easier.

Packaging accounts for 38% of our total value chain emissions. This project is a significant milestone towards reducing the carbon footprint of our packaging.

Highlights

x25 refills

Our new RGB can be refilled up to 25 times.

~160k outlets

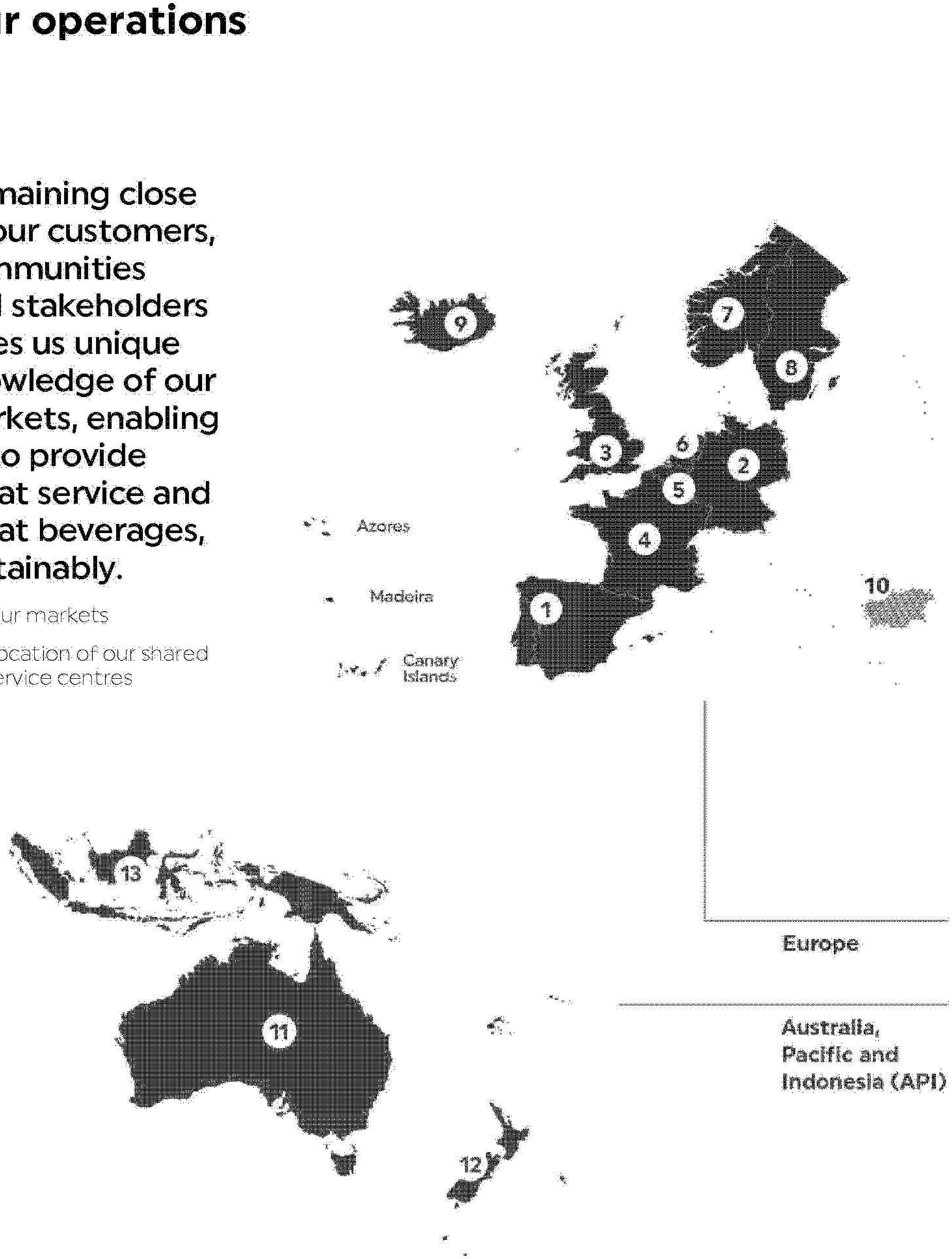
Approximately 160,000 hotels, restaurants and cafés in France will now have the opportunity to receive all our beverages in RGB.

Find out more at cocacolaep.com/annual-report/case-study/refillable-glass-bottles



Our operations

Remaining close to our customers, communities and stakeholders gives us unique knowledge of our markets, enabling us to provide great service and great beverages, sustainably.



Region	Revenue by geography[A]	Employees[B]	Production facilities
Europe			
1 Iberia (Spain, Portugal and Andorra)	17.5%	3,938	11
2 Germany	15.5%	6,591	16
3 Great Britain	18.0%	3,419	5
4 France and Monaco	12.0%	2,516	5
5 Belgium and Luxembourg	6.0%	2,116	3
6 Netherlands	4.0%	795	1
7 Norway	2.0%	558	1
8 Sweden	2.5%	740	1
9 Iceland	0.5%	176	2
10 Bulgaria[C]	—	1,025	—
Australia, Pacific and Indonesia (API)			
11 Australia	13.5%	3,621	13
12 New Zealand and Pacific Islands	4.0%	1,846	12
13 Indonesia and Papua New Guinea	4.5%	5,954	11

(A) Revenue shown is percentage of total reported revenue as at 31 December 2022.
(B) Number shown is number of employees as at 31 December 2022.
(C) Shared service centres.

Our business model

How we do what we do

From developing close relationships with TCCC and other franchisors and sourcing raw materials, to making and distributing great tasting drinks, our great people deliver great service, great beverages, done sustainably.

Associated risks

Read more about our risks and mitigations on pages 64-71

1 Packaging
2 Legal, regulatory and tax
3 Business disruption
4 Cyber, social engineering and IT
5 Economic and political conditions
6 Market
7 Climate change and water
8 Perceived health impact of beverages & customer buying trends
9 Business transformation & integration
10 People and wellbeing
11 Relationships with TCCC and other franchisors
12 Product quality

Great people

Great service

Great beverages

Done sustainably

- Forward on climate
- Forward on packaging
- Forward on water
- Forward on supply chain
- Forward on drinks
- Forward on society

For a better shared future

Creating value and driving sustainable returns for all our stakeholders

We partner

We operate under bottler agreements with TCCC and other franchisors, and purchase the concentrates, beverage bases and syrups to make, sell and distribute packaged beverages to our customers and vending partners.

Associated risks: 2 8 9 11

We source

We use ingredients such as water, sugar, coffee, juices and syrup to make our drinks. We also rely on materials like glass, aluminium, PET, pulp and paper to produce packaging. On average in 2022, 85% of spend was with suppliers based in our countries of operation.

Associated risks: 1 3 4 7 12

We make

Our production facilities make and bottle our wide range of drinks. Over 90% of the drinks we sell are produced in the country in which they are consumed.

Associated risks: 3 4 7 9 10 12

We recycle

Although 99%(A) of our bottles and cans are recyclable, they don't always end up being recycled. That needs to change. We're determined to lead the way towards a circular economy for our packaging where, working with partners, we encourage packaging collection so that materials are recycled and reused.

Associated risks: 1 2 7 (A) Europe only

We sell

Our nearly 12,500 strong commercial team works with a huge range of customers, ranging from small local shops, supermarkets and wholesalers to restaurants, bars and sports stadiums, so consumers can enjoy our great products. We also provide cold drink equipment (CDE) and supply vending machines.

Associated risks: 2 3 4 5 6 8 10

We distribute

We distribute our products to customers and vending partners directly, by working closely with logistics partners.

Associated risks: 1 3 6 10

Going further on simplification

CASE STUDY

Focusing on our core

We continued to focus on our core brands across our broad pack offering which included the launch of a number of strategic initiatives, including as part of the API integration, to enable greater focus on non-alcoholic RTD (NARTD) and alcoholic RTD (ARTD).

We significantly reduced the number of stock keeping units (SKUs) we produce and sell in Indonesia, prioritising sparkling and RTD tea for future growth.

Our leadership team said:

Peter West, API General Manager — "Portfolio, and portfolio prioritisation, are key to driving category growth."

Damian Gammell, CEO — "Simplifying the portfolio also enables us to run our production lines more efficiently, and ultimately to provide better customer service."

Find out more at cocacolaep.com/au/our-portfolio

Performance indicators

Financial

Revenue

€17.3bn

Revenue increased by 15.5% on a pro forma comparable and foreign exchange (FX) neutral basis. This was driven by a 9.5% increase in volume on a pro forma comparable basis, reflecting the solid recovery of the away from home (AFH) channel. In addition to fewer COVID-19 restrictions, the return of travel and tourism, and favourable weather in Europe also supported the recovery. Home occasion trends continued to increase, leading to resilient demand in the home channel, which contributed to the volume growth.

Revenue per unit case increased by 6.0% on a pro forma comparable and FX neutral basis, reflecting positive pack and channel mix driven by the recovery of the AFH channel, promotional optimisation and favourable underlying price. Dynamic headline pricing strategies were implemented across our markets in response to unprecedented levels of inflation.

Operating profit on a comparable basis

€2.1bn

Comparable operating profit increased by 12.5% on a pro forma comparable and FX neutral basis reflecting the strong revenue growth, as well as the benefit of ongoing efficiency programmes and discretionary spend optimisation. Inflationary pressures, particularly on commodities and gas and power, higher concentrate costs, driven by the strong revenue per unit case growth, and continued investment in our capabilities moderated the growth in comparable operating profit.

Diluted earnings per share (EPS) on a comparable basis

€3.39

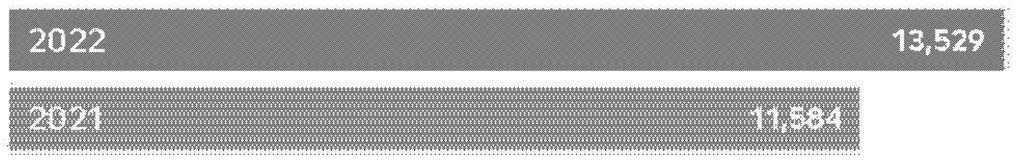
Comparable diluted EPS increased by 13.0% on a pro forma comparable and FX neutral basis driven by the increase in comparable operating profit.

Adjusted free cash flow

€1.8bn

Solid adjusted free cash flow generation of €1.8bn, reflecting strong trading performance, disciplined capital expenditure and working capital improvement initiatives.

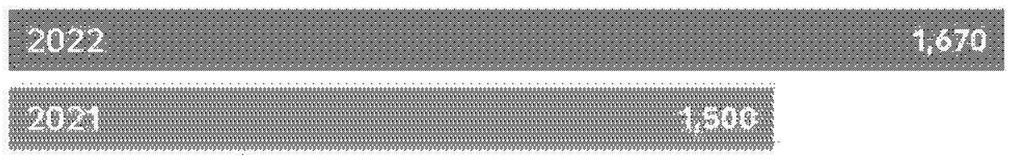
Europe (€m)



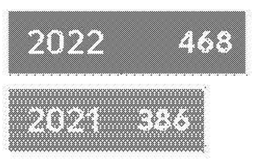
API (€m)



Europe (€m)



API (€m)



Return on invested capital (ROIC) (%)

9.1%

ROIC increased by 112 basis points on a pro forma basis to 9.1% driven by the increase in comparable operating profit after tax, as we continued to focus on driving profitable revenue growth, and capital allocation.

Comparable operating profit, comparable EPS, adjusted free cash flow and ROIC are non-GAAP performance measures. Comparative figures for API revenue and operating profit on a pro forma comparable basis. Refer to 'Note regarding the presentation of pro forma financial information and alternative performance measures' on pages 74-75 for the definition of our non-GAAP performance measures and pages 75-85 for a reconciliation of reported to comparable and FX neutral, reported to pro forma comparable and FX neutral, and reported to adjusted results. Adjusted free cash flow excludes cash proceeds related to historical VAT dispute refund in Spain.

Performance indicators continued

Sustainability

Safety

Group: total incident rate
Number per 100 full time equivalent employees

0.87

Our target

Reduce our total incident rate (TIR) to below 1 by 2025

We are working towards world class safety standards and our Health, Safety and Mental Wellbeing policy is helping to ensure we are adopting best practices.

Climate

Group: percentage greenhouse gas (GHG) emissions reduction across our entire value chain versus 2019

9.4%

Our target[A]

Reduce emissions across our entire value chain by 30% by 2030 (versus 2019)

At the end of 2022, we submitted the short-term target above and a long-term target to reach Net Zero by 2040 to the Science Based Targets initiative (SBTi) for their approval. Both are absolute GHG emissions reduction targets, covering Scope 1, 2 and 3 emissions across our value chain.

Water

Group: water replenished as a percentage of total sales volume

105.5%

Our target

Replenish 100% of water we use in our beverages

Together with TCCC and The Coca-Cola Foundation (TCCF), we have set up several replenishment programmes across our territories in recent years. In 2022, we managed 21 water replenishment projects in Europe and 6 in API.

Drinks

Percentage sugar per litre reduction



Our target

Reduce sugar in our drinks

Packaging

Group: percentage of PET used that is rPET

48.5%

Our target

50% recycled plastic in our PET bottles by 2023 (Europe) and 2025 (API)

In 2021, we achieved our European target four years ahead of schedule[D]. In 2022, we increased our use of recycled PET (rPET) again, reaching 56.3%. In API 26.9% of the plastic we used to make our PET bottles was rPET.

Note: All sustainability metrics were subject to external independent limited assurance by DNV for the year ended 31 December 2022. For details and 2022 basis of preparation, see cocacolaep.com/sustainability/download-centre/
(A) New Group wide commitment. We expect SBTi to complete its review by the end of 2023.This is in addition to the ~30% absolute reduction already achieved between 2010 and 2019 in Europe.
(B) Sparkling soft drinks, non-carbonated soft drinks and flavoured water only. Does not include water or juice.
(C) NARTD, including dairy. Does not include coffee, alcohol, beer or freestyle.
(D) In 2019, we announced enhanced packaging targets for Europe, bringing forward the deadline to use at least 50% rPET from 2025 to 2023. Since 2021, our rPET use in Europe has been >50%.

Chairman and CEO
In conversation



Left:
Sol Daurella, Chairman

Right:
Damian Gammell, CEO

Further together

"We delivered great results in our first full year as Coca-Cola Europacific Partners, creating value for customers and shareholders as well as making great progress against our sustainability commitments."

Damian Gammell, CEO

How did CCEP perform in 2022 and what are you most proud of in the year?

Damian: There are many achievements to be proud of in 2022 but, as always, nothing would have been possible without our great people and so I would like to extend my sincere gratitude to everyone at CCEP for another year of incredible commitment and hard work.

I am delighted with our financial performance in 2022, achieving strong top and bottom line growth, value share gains and an impressive level of free cash flow. Key to this was the continued recovery of the AFH channel, supported by the return of travel and tourism, a record Ramadan period, and resilient demand in the home channel. I am also extremely proud of the way we successfully navigated various supply chain challenges, ensuring our products were available on shelf and online, and maintaining our high levels of customer service.

We also celebrated our first year as Coca-Cola Europacific Partners in May, and continued to make great progress against our sustainability commitments – both of which I'll talk more about shortly. I am very proud that we shared in all of our successes with our retail customers, having delivered more revenue growth for them than any of our peers, highlighting the strength of our customer relationships.

Sol: I am really proud of the progress we've made in making CCEP a great place to work. In our first full year as Coca-Cola Europacific Partners, we have already created a collaborative and inclusive culture. We've invested in our people, their safety and skills and are creating an environment where everyone can share their ideas and be empowered to collaborate, win together and grow.

Through our close alignment with TCCC, and thanks to our experienced leadership team and Board, I am proud of our ability to deliver consistent value for our customers and shareholders, and to support our communities.

What are your priorities and focus areas for CCEP in 2023?

Damian: Despite the current dynamic macroeconomic and inflationary environment, we believe we are well placed for 2023 and beyond. We operate within robust and growing categories, with great brands, that our consumers love. We will continue to invest and innovate in these brands and their packaging, supporting a solid growth platform for our customers. We will also continue to actively manage our headline pricing and optimise our promotions through smart and digitally led revenue and margin growth management, giving us confidence as we navigate through uncertain times. And of course, our people and our sustainability commitments will continue to be key areas of focus.

Chairman and CEO continued
In conversation

Sol: As we continue to face a highly uncertain economic environment, it is clear we must sharpen our focus on driving profitable revenue growth and delivering best in class customer service. The strength of our brands, the great partnership with TCCC and our leading capabilities give me confidence that we will continue our consistent track record in 2023.

What did you learn from the first year as Coca-Cola Europacific Partners?

Damian: The more time I spend in our API region, the more excited I get about the opportunities ahead. The API business had a fantastic 2022, with revenue and profit ahead of 2019, and is moving ahead with its strategic priorities at pace. In Australia, we have already made good progress with the simplification of our portfolio and a reduction in promotions. We are sharing learnings and best practices in both directions in areas such as IT infrastructure and data analytics. There is so much to learn from the teams in Australia and New Zealand. They are really setting the benchmark for world class execution.

And I'm even more excited about the transformation opportunity in Indonesia, with more focus on our core sparkling and tea categories allowing us to manage our supply chain more efficiently and deliver even better service to our customers across key calendar events like Ramadan. I am really pleased that in February 2023 we announced the purchase of TCCC's 29.4% minority stake in our Indonesia business, increasing CCEP's ownership to 100%. This now simplifies our ownership structure while demonstrating our commitment to the future of this market.

Sol: I've been very fortunate to join Damian and the Board in visiting our API markets over the last year, and the growth potential of these regions is truly exciting. We have a strong track record of creating value in developed markets and we are applying these learnings to Australia and New Zealand, while we are already seeing great early results in Indonesia, one of the world's more populous and attractive emerging markets. Our journey in these markets is really just beginning, but I'm very proud of everything we've achieved so far.

What gave you the confidence to recently raise your mid-term growth objectives?

Damian: Ultimately, we believe we can grow ahead of the category, led by our great brands and best in class capabilities, all underpinning our objective of ~4% revenue growth[(A)(D)] over the mid term. We expect our category to grow 3–4%[(B)] on average each year, with faster growth from API and in particular Indonesia, which creates an exciting opportunity for us.

We will continue to invest in the capabilities and technology that our people need to win. This, alongside our ongoing focus on cost control and productivity efficiencies, should drive ~7% operating profit growth[(A)(D)] and an impressive annual free cash flow of ~€1.7 billion[(C)(D)] over the mid term.

Sol: We're striving for a bigger and bolder future by focusing on profitable organic revenue growth. We have a lot to do, but as we build on our current momentum, I am confident that we have the right strategy to deliver on our new ambitious mid-term targets.

> "I am confident that we have the right strategy to deliver on our new ambitious mid-term targets."
>
> **Sol Daurella, Chairman**

> "Digital is a key enabler of growth for both CCEP and its customers."
>
> **Damian Gammell, CEO**

How is CCEP doing on its journey to becoming the world's most digitised bottler?

Damian: Digital is a key enabler of growth for both CCEP and its customers. Today, approximately 85% of our sales volume is captured digitally, and while we have built a strong foundation, we continue to learn and build the relevant capabilities to further optimise our digital footprint. We will continue to partner with our customers, leveraging our data and analytics tools, to optimise revenue growth opportunities, and we have been taking learnings from Australia and New Zealand in this area. We will continue to build out our digital commercial tools to enable our front line colleagues to better engage with and sell to our customers.

We've been accelerating our business to business (B2B) platforms to make it even easier for our customers and wholesalers to do business with us. We have two winning portals – my.CCEP.com in Europe and Indonesia, and myCCA.com in Australia and New Zealand – collectively processing around €2 billion of revenue, up 50% versus 2021. We will continue to develop the existing functionality to drive ease of ordering, profitable basket growth and account management services. And through our Ventures programme we will continue to partner with eB2B platforms such as Kollex and StarStock to make it even easier for our customers to order our great products.

Sol: We are conscious that, as the pace of change in consumer behaviour and technology accelerates, we must look for ways to evolve our business. Since the formation of CCEP we have been re-engineering CCEP's business processes to be simpler, more standardised and fit for the future, particularly within the workplace and across our supply chain.

As we continue on this journey, we look forward to the benefits that standardised systems and processes will deliver for CCEP; more automation and speed of execution through central decision making and faster integration of new businesses, as well as the competitive edge that comes with reduced operational complexity and controlled costs.

How are you developing the culture within CCEP?

Damian: CCEP's ambitions for growth and sustainability depend on our great people, and the wellbeing and safety of our colleagues remains our number one priority. Despite being recognised for our world class safety performance, tragically two of our Indonesian colleagues lost their lives during the year while at work. We have learnt lessons from these terrible tragedies and we will continue to prioritise and drive further health and safety improvements.

(A) Comparable and FX neutral growth.
(B) Internal estimates based on Global Data 2023–2027.
(C) Free cash flow after ~4–5% capital expenditure as a % of revenue, excluding payments of principal on lease obligations.
(D) Non-GAAP performance measure. Refer to 'Note regarding the presentation of pro forma financial information and alternative performance measures' on pages 74–75 for the definition of our non-GAAP performance measures.

Chairman and CEO continued
In conversation

> "Sustainability is fundamental to everything we do as a business, and we will continue to push ourselves to go further and faster to decarbonise our business."
>
> **Damian Gammell, CEO**

Sol: Our success is driven by our great people and I'd like to thank Damian and the leadership team for creating the winning and inclusive culture that CCEP has today. We had very strong participation in our first global digital engagement survey with a stable engagement score overall, ahead of our benchmark group – a great result in what has been a challenging environment as we establish new ways of working post-COVID-19 and the integration of the API markets.

In addition, I am grateful to my fellow Directors for their contributions and support during 2022. In particular to Jan Bennink, Christine Cross and Brian Smith, who will retire from the Board at the Annual General Meeting (AGM) in May. Further details on Board changes can be found on page 87.

Damian: We are continuing to invest in digital workplace tools and aspire to make it even easier to move and develop internal talent across CCEP. In 2022, we rolled out our digital Career Hub across Europe, which provides users with personalised recommendations for vacancies, career paths and networking opportunities based on their personal profiles.

I also want CCEP to be a place where different perspectives and insights are valued at all levels of the organisation, and we will continue to put diversity at the heart of our culture. Promoting gender equality is a key driver of innovation and growth, and we are committed to achieving more gender balance in our leadership roles. Our diversity and inclusion credentials continue to be recognised externally too, and we are proud to have recently been included in Bloomberg's 2023 Gender Equality Index for the third year in a row.

We will also continue to support our communities and have committed to supporting the skills development of 500,000 people facing barriers in the labour market by 2030.

What progress has CCEP made with its sustainability commitments?

Damian: Sustainability is fundamental to everything we do as a business, and we will continue to push ourselves to go further and faster to decarbonise our business. I am pleased that our This is Forward commitments were extended to our API markets in 2022, resulting in a unified action plan that we will work towards in 29 markets across the world.

We continued to make great progress against our commitments in 2022 and are taking action where it matters most. In Europe, we launched tethered closures on our PET bottles in seven markets and moved all our brands in France to returnable glass bottles within the HoReCa channel. In Australia and Indonesia, we are investing in new PET recycling facilities. These collaborations are a step closer to creating a circular economy for PET and will contribute to further accelerating our journey towards stopping using oil-based virgin plastic in our bottles by 2030.

Four more of our production facilities became carbon neutral in 2022, totalling six to date across different markets, and we achieved 100% renewable electricity purchase in Europe and New Zealand.

Sol: We have made strong progress since This is Forward was first launched in 2017. However, the social and environmental challenges we face – including climate change and the plastic waste crisis – are greater than ever.

We still have a long way to go to meet our long-term targets, and must continue to leverage our business and our brands to build a better shared future for people and the planet. Our progress continues to be recognised externally and we are proud to have retained our coveted CDP and MSCI ratings for the seventh consecutive year, demonstrating the focus and importance we place on sustainability.

CCEP was also recognised for its sustainability leadership within the Coca-Cola system by winning the prestigious 2021 J.Paul Austin Award. I am proud that we were chosen based on our considerable progress with sustainable packaging, including the use of 100% rPET in four markets; our ongoing collection efforts; expansion of paperboard packaging for multipacks; and pioneering tethered closures.

How is CCEP's relationship with TCCC developing?

Damian: CCEP has always been closely aligned with TCCC strategically and we continue to develop our joint long-term growth plans to better align our portfolio, focusing on the core. This includes the reorientation of our portfolio in API, now substantially complete, allowing us to have a more coherent category vision for our customers. A new aligned and clear flavours plan in Australia is already delivering great results driven by smaller pack formats and a focus on no sugar and innovation, for instance the launch of Sprite Lemon+.

Together with TCCC, we are excited to launch Jack Daniel's & Coca-Cola RTD inspired by the classic bar cocktail, across some of our markets in 2023, and will continue to scale existing brands like Costa Coffee and Fuze Tea.

Sol: Both companies are truly aligned on strategy, sharing the same vision of where we're going and how to get there. This strong relationship is also driving forward our sustainability strategy, which is closely aligned with TCCC's global World Without Waste strategy.

What will determine CCEP's success in the future?

Damian: Our success will continue to be driven by our great people, great service, great beverages, done sustainably. We are now a bigger and better, more diverse and resilient business, enhanced by the recently acquired API business. We have delivered over €5 billion of shareholder returns since 2016, demonstrating the strength of our business and ability to deliver continued shareholder value. This remains our key priority for 2023 and beyond. We have the platform and momentum to go even further together for a greater future.

Sol: From the great people who work at CCEP, to the experienced leadership and strategy we have in place, and our strong commitment to sustainability, I'm confident we can succeed. On behalf of the Board, I thank everyone working at CCEP for their hard work, agility and commitment. I'd also like to thank all of our shareholders for their ongoing support. We look forward to continuing our journey with all of our partners and stakeholders in 2023.

> "We have the platform and momentum to go even further together for a greater future."
>
> **Sol Daurella, Chairman**

Going further on digital

CASE STUDY

Factory of the future
We continued to invest in technology that improves customer service and supports growth and productivity across our end to end supply chain.

Key investments include:

- Improving the safety of our people with 5G technology, providing early detection, and real time warnings, of potential collisions for forklift and truck drivers and pedestrians
- Achieving operational efficiencies with autonomous self driving electric trucks for pallet transportation across one of our production facilities in Germany
- Managing line breakdowns better with augmented reality, enabling our engineers to connect with suppliers for real time technical advice

Our leadership team said:

"The factory of the future is really starting to become a reality for many of our production facilities."

José Antonio Echeverria, Chief Customer Service and Supply Chain Officer

Read more about supply chain on pages 49-52



Our stakeholders

Our stakeholders are part of our business and play a vital role in our success at every stage in our value chain. From the suppliers that provide our raw materials, to the communities where we operate and the people who make and sell our products, we seek to work together to refresh our markets and make a difference.

Our people

CCEP depends on the great people who make, sell and distribute our products to customers every day.

Read more about our people on pages 58-63

A comprehensive annual engagement plan includes:
Townhalls, Speak Up channels, engagement surveys and the Employee Share Purchase Plan (ESPP)

Communication campaigns, e.g. mental health, safety and inclusion, online platforms

Read about Board engagement with our people on page 102

Engagement highlights in 2022:
Launch of global ESPP with 38% take up rate

CCEP Australia won awards at the Australian HR Awards and at the Mental Health Service Awards of Australia and New Zealand for its Healthy@CCEP programme

Impact/value created:
Our people create value for CCEP by making, selling and distributing our great products

CCEP creates value for our people through providing a safe place to work with rewards and benefits

Key concerns heard from our people include:
Being rewarded

Development opportunities

Safety at work

What is measured and monitored?
Total incident rate

ESPP enrolment

% women in management

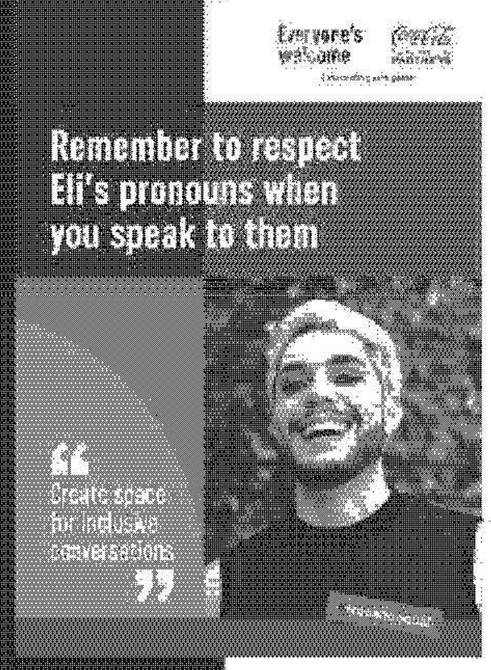
Principal risks:
Retaining talent

Health and safety

Read more about our risks and mitigations on pages 64-71

Case study

Gender Affirmation and Transitioning Guidance



Treating everyone with dignity and respect
In 2022, we launched the first global Gender Affirmation and Transitioning Guidance to make sure we had the systems in place to support colleagues who identify as Trans and/or non-binary, and provide an inclusive and supportive working environment in the office, in the field, in production facilities and while working from home.

The guidance was a global collaboration led by the Inclusion, Diversity and Equity (ID&E) Centre of Expertise in partnership with the 'Pride Community', our global LGBTQ+ network. It was reviewed and verified by external LGBTQ+ experts, Stonewall.

Read more at cocacolaep.com/about-us/people/our-people

Our stakeholders continued

Our shareholders

Shareholders provide the equity capital for our business and hold management to account on financial performance and key environmental, social and governance (ESG) issues.

A comprehensive annual engagement plan includes:
AGM, roadshows, capital markets events, analyst meetings, results presentations and webcasts

Brokers appointed to provide advice on market conditions, and provide feedback on external communications

Shareholder-nominated Directors on Board in accordance with Shareholders' Agreement

Read about Board engagement with our shareholders on page 102

Engagement highlights in 2022:
Capital markets event attended by ~150 analysts, investors and potential investors

Reverting to two interim dividends for 2022, maintaining our dividend payout ratio of ~50% which resulted in record full year dividend per share

Impact/value created:
Shareholders create value for CCEP through voting at the AGM and continuing to invest in CCEP

CCEP creates value for shareholders by returning cash either by paying dividends or through share buybacks

Key concerns heard from our shareholders include:
Financial performance, commodity costs and inflationary pressures

Market dynamics such as consumer behaviour and supply chain challenges

ESG challenges and regulatory changes

What is measured and monitored?
Number of meetings and % of equity investors covered by these interactions

Analyst notes and equity investor perceptions of strategy

Principal risks:
Market, including changing consumer and channel trends

Economic and political conditions, including commodity price volatility

Packaging, climate change and water

Read more about our risks and mitigations on pages 64-71

Our franchisors

We conduct business primarily under agreements with franchisors who generally give us exclusive rights to make, sell and distribute beverages in approved packaging in specified territories.

Regular contact with franchisors includes:
Management contact at different functional levels such as public affairs, communications and sustainability, supply chain, sales and marketing

Ongoing dialogue with General Managers and regular top to top meetings

Inviting franchisors to present annual business plans to customers

Read about Board engagement with our franchisors on page 102

Engagement highlights in 2022:
TCCC Indonesia presented to the Board on marketing plans

Costa demonstrated packageless solutions to the Board

TCCC and other franchisors presented portfolio priorities and product launches at commercial, sales and country meetings

Impact/value created:
CCEP gains value from the exclusive rights given by franchisors to make, sell and distribute their products

CCEP creates value for franchisors by driving sales to customers so franchisors' drinks are available where and when consumers want them

Key concerns heard from our franchisors include:
Profitable growth and value share in our markets

Sustainable supply chains

What is measured and monitored?
Joint investment

Successful innovation

Category performance

Market share

Principal risks:
Misaligned incentives or strategy

Read more about our risks and mitigations on pages 64-71

Our stakeholders continued

Our consumers

Consumers drink the products we make, sell and distribute.

CCEP's ways of engaging with consumers include:
Collection of consumer insights from franchisors, customers or via dedicated research

Consumer labelling, social media, activation in store and day to day interaction via our sales teams when visiting outlets

Feedback from consumers on social media and via the consumer hotlines

Read about Board engagement with our consumers on page 102

Engagement highlights in 2022:
In store activations e.g. during Ramadan in Indonesia, Fanta at Halloween, Monster in Great Britain (GB), Coca-Cola for FIFA World Cup

Impact/value created:
Consumers create value when buying our products

CCEP creates value for consumers through providing a diverse portfolio of drinks that are high quality, safe and taste great with transparent labelling to help consumers make educated choices about nutrition and packaging

Key concerns heard from our consumers include:
Product quality and food safety

Environmental concerns relating to packaging

What is measured and monitored?
No and low-calorie drinks as a % of sales

% packaging that is 100% recyclable

Consumer complaints

Principal risks:
Product quality and safety

Consumer perception regarding plastic packaging and sugar

Read more about our risks and mitigations on pages 64-71

Our customers

Our customers sell our products to consumers.

Regular engagement with customers includes:
General Managers engaging with customers on strategy and planning and owning the customer relationship

Account managers' contact with customers on business development

Our sales teams calling on customers every day in the market

Read about Board engagement with our customers on page 102

Engagement highlights in 2022:
Dedicated customer showroom opened in France during September to present our marketing and commercial plans as well as our sustainability ambition and progress

Customer newsletters on sustainability, brand performance and innovation launched

Impact/value created:
Customers create value for CCEP by selling our products to consumers

CCEP creates value for customers through our customer centric operating model, portfolio diversity and quality of products and service

Key concerns heard from our customers include:
New packaging solutions

Product offers to meet new shopper and consumer trends

What is measured and monitored?
Volume and revenue growth

Customer big data and advanced analytics, e.g. NielsenIQ and IRI, measure brand/product performance and value creation

Advantage Group & Ipsos research (EU only) to evaluate customer satisfaction

Principal risks:
Pressure to promote healthy choices

Packaging

International buying groups and new routes to market

Read more about our risks and mitigations on pages 64-71

Case study

Making our packs more inclusive with NaviLens



In 2022, our large Christmas can multipacks included NaviLens codes on the cardboard outers to help give partially sighted shoppers and those who have difficulty using traditional signage the opportunity to navigate their way around a shop to find their chosen purchases.

Find out more at cocacolaep.com/annual-report/case-study/navilens

Our stakeholders continued

Our suppliers

Our suppliers provide a wide range of commodities and services from ingredients, packaging, utilities, equipment, to facilities management, fleet, logistics and information technology.

Read more about our supply chain on pages 49-52

Processes to regularly engage with suppliers include:
Supplier relationship management programme through TCCC's procurement consortium

Partnering and collaborating with suppliers, in areas such as business continuity or sustainability, to foster strategic relationships

Read about Board engagement with our suppliers on page 102

Engagement highlights in 2022:
Annual supplier day

Developing new tethered closures with suppliers to make recycling more efficient as there is no cap left behind

Impact/value created:
Suppliers create value for CCEP by providing high quality, safe and sustainable products and services, and optimised supply chain and innovation partnerships

CCEP creates value for suppliers through long-term collaborative partnerships and provides support on sustainable practices and emission plans

Read more about our sustainability-linked supply chain finance programme on page 52

Key concerns heard from our suppliers include:
Exposure to variability in the market place such as pricing and consumer behaviours

Driving progress on sustainable supply chains

What is measured and monitored?
Quality standards and delivery times

TCCC audits to ensure adherence to Supplier Guiding Principles (SGPs) and Principles of Sustainable Agriculture (PSA)

Principal risks:
Rising costs

Varying availability of ingredients, labour, packaging (including rPET), energy and water

Potential supply chain disruption

Read more about our risks and mitigations on pages 64-71

Our communities

Communities are where we operate and where our employees live and work.

Read more about our communities on pages 56-57

Regular engagement with our communities include:
Promoting skills development and social inclusion, e.g. Gira Mujeres and collaborating with foodbanks

Protecting the local environment, e.g. water replenishment and litter clean up programmes

Supporting local communities, e.g. grassroots initiatives and disaster relief

Read about Board engagement with our communities on page 102

Engagement highlights in 2022:
Donated €250k and >36k unit cases of product to Red Cross in Ukraine and organised an employee donation campaign and support scheme for employees housing Ukrainian refugees

Support my Cause, an employee led initiative, expanded to API with first donation in Indonesia to Nurani Dunia Foundation which runs community growth programmes

Impact/value created:
Communities create value for CCEP through access to talented people, local water sources, connection with local policymakers and community groups

CCEP creates value for communities through access to employment, improving the local environment and investing in community causes

Key concerns heard in our communities include:
Unemployment

Environmental impact

What is measured and monitored?
Community investment contribution

Employee volunteering hours

Principal risks:
Public perception regarding plastic packaging and sugar

Reputational risk of not delivering against sustainability commitments

Read more about our risks and mitigations on pages 64-71

Section 172(1) statement from the Directors

During 2022, we acted in good faith to promote the long-term success of CCEP in our discussions and decision making for the benefit of CCEP's shareholders as a whole, and in doing so having regard to stakeholders and the matters set out in section 172 of the Companies Act, including:

The likely consequences of any decision in the long term

The Board recognises that their decision making will affect CCEP's long-term success. When taking decisions, particularly of strategic importance, the Board considers the likely consequences of any decision on CCEP's long-term, sustainable growth while endeavouring to balance the interests of all our stakeholders.

The interests of our people, and the need to foster business relationships with our key stakeholders

Our key stakeholders remain the same as last year, namely our people, shareholders, franchisors, suppliers, customers, consumers and communities. How CCEP has engaged with our stakeholders more generally is explained on pages 14-17. We identify our key stakeholder groups as those with significant interactions with our business model and that we impact in the course of our business operations. We describe how our business interacts with our stakeholders, and the impacts of these interactions, throughout this Integrated Report. The Board strives to gain stakeholder perspectives to inform its decision making through direct engagement, where feasible, as well as through regular communication with senior management. The Board also gains perspectives from senior management who sit on on CCEP's Digital Advisory Board and Indonesian Advisory Board.

The impact of the Company's operations on the community and the environment

We recognise that to deliver our strategy in a sustainable way, we need to consider the commercial, social and environmental impacts of our business. During the year, we have monitored, assessed and challenged CCEP's progress against our annual business plan and our sustainability action plan. Information on our sustainability action plan and how we are implementing recommendations from the Task Force on Climate-related Disclosures (TCFD) is on pages 26-63. Our governance framework guides the Board's decisions as set out on page 30.

The desirability of the Company maintaining a reputation for high standards of business conduct

Ensuring our business operates responsibly is fundamental to ensuring our long-term success. The Board assesses and monitors the Group's culture to ensure it aligns with the Group's purpose, values and strategy set by the Board and oversees a corporate governance framework as set out on page 97 that enables the right people to take the right decisions at the right time. This includes our Code of Conduct (CoC) and system of delegated authorities. Read our CoC at www.ccepcoke.online/code-of-conduct-policy.

The need to act fairly as between CCEP's shareholders

The Board supervises the profitable operation and development of CCEP to maximise its equity value over the long term, without regard to the individual interests of any shareholder. A minority of our Non-executive Directors (NEDs) were appointed by major shareholders of CCEP. However, each Director understands their responsibility under the Companies Act to act in a way that would promote the long-term success of the Company for all its stakeholders. During 2022, the CEO, CFO and, members of the Board and our Investor Relations team met with shareholders (see page 102 for more detail on our engagement with shareholders).

How the Board engaged with stakeholders and specific examples of key areas of focus and considerations affecting the Board's decision making process during 2022 are set out on pages 102-103 of the Corporate governance report

Going further on safety

CASE STUDY

Get home to what you love

We want everyone getting back home safe, every day, to what they love. This is the message we put at the heart of our international safety and wellbeing campaign run throughout April 2022.

Colleagues across our business took part in a photoshoot, generating fantastic photos and messages showcasing what they love to get home to!



Our leadership team said:

Damian Gammell, CEO

"How we work together and care for one another at CCEP sets us apart. Everyone should be able to feel safe – physically and mentally – in the workplace."

Read more at cocacolaep.com/annual-report/case-study/people-safety



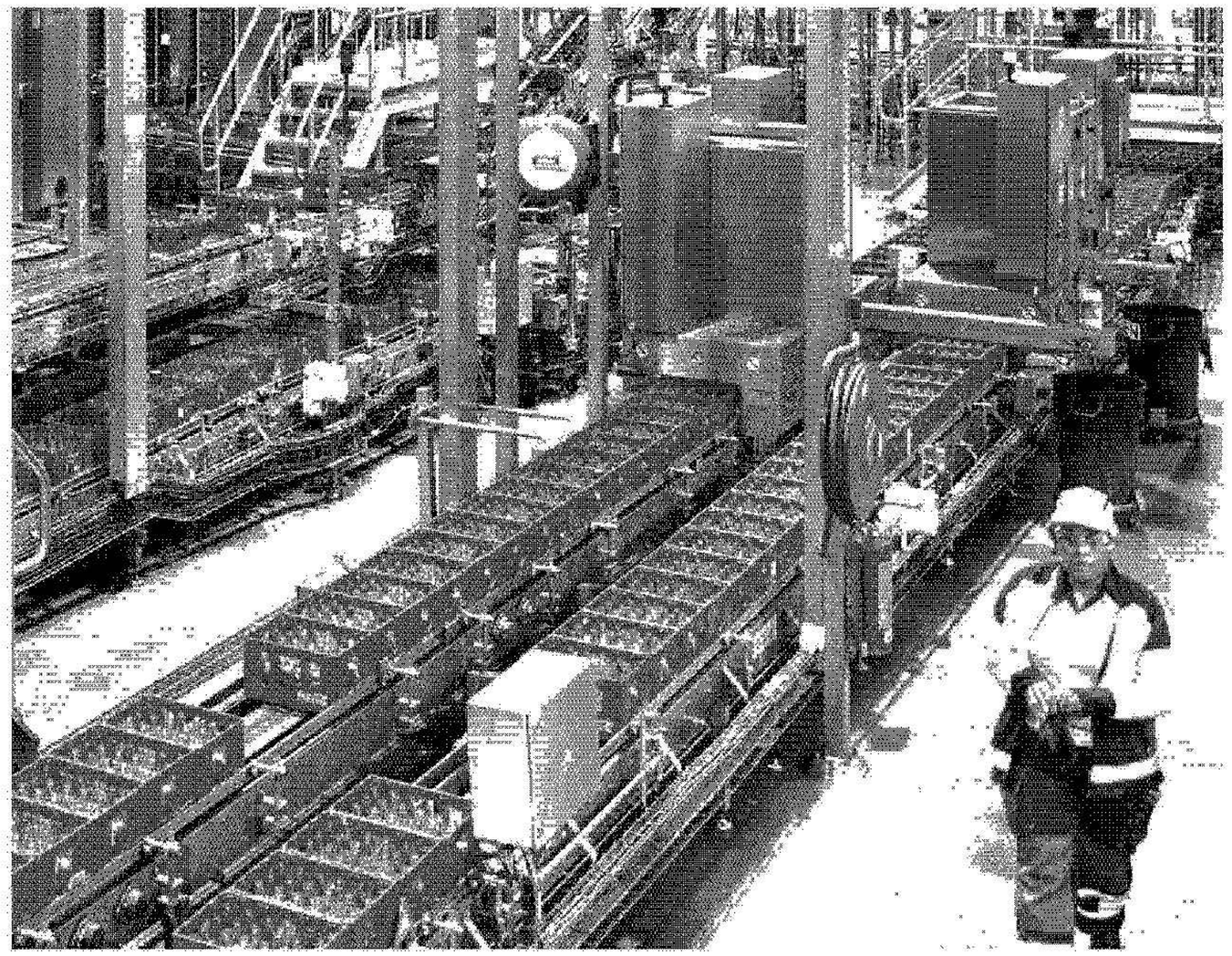
"Safety is important so that my family at home feel calm when I'm at work. I wear safety shoes so I can play with my children when I get home."

Ismail Yahya Putro
Syrup Operator, Bekasi 1

Our market drivers

Our business is affected by a range of market trends – from rapid acceleration towards digital platforms to macroeconomic impacts.

Right: Refillable glass bottle line at our Dongen production site in the Netherlands



Our business model and culture enable us to adapt and thrive in a changing environment, while our strategy reflects both current and future dynamics.

Consumer trends

We constantly monitor consumer trends and react to the changing needs of our consumers.

Today, consumers demand more choice as they seek different drinks for different occasions. Consumer interest in health and wellness is a continuing trend evidenced by the demand for healthier alternatives, such as low and no sugar drinks.

During the COVID-19 pandemic, as well as choosing to shop more online, consumers also sought to create the away from home experience at home, and this trend has very much continued, requiring brands to offer the premium products they need to create these new occasions.

Strong brands supported by innovation is key to meeting changing consumer needs.

Read more in Forward on drinks
on pages 53-55

Macroeconomics

Geopolitical volatility, high inflation and increasing regulatory pressure related to climate change and packaging impacted our business in 2022 both directly and indirectly.

Despite these pressures, we delivered operating profit growth of 12.5% on a pro forma comparable and FX neutral basis by successfully navigating supply chain challenges, executing dynamic pricing strategies across our markets, and by delivering our ongoing cost saving and efficiency programmes.

Economic disruption and an inflationary environment also impact consumer sentiment, meaning affordability becomes increasingly important for some consumers. We are mindful of a more dynamic outlook as we move into the next financial year, but believe we are well placed within resilient categories to deliver our strategy and achieve sustainable and profitable growth.

Government commitments to new climate change and packaging-related regulations continue to impact our business. However, we continue to set our own ambitious sustainability targets, and are committed to delivering our business model sustainably.

Read more about our principal risks
on pages 64-71

Channel trends

Changes to routines and behaviours during the COVID-19 pandemic accelerated the digital evolution and adoption of new digital channels, with both consumers and customers seeking to do more online, for instance consumers shifting to e-grocery from traditional retail.

Accelerated growth in digital channels is putting pressure on traditional retail, while other consumer trends, such as creating the away from home experience at home, means consumption has shifted between channels.

Customer collaboration and joint value creation is key to evolving with these changing channel trends and achieving profitable growth.

Consumer packaged goods evolution

As consumer and channel trends are changing, technology, and specifically data analytics capabilities, are advancing. This means all consumer packaged goods companies are having to adapt to remain competitive.

We continue to invest in our journey towards becoming the world's most digitised bottler, and in core capabilities such as revenue growth and key account management. We moved towards a revenue and margin growth management focus in 2022. This will help us to make the right decisions and drive profitable growth.

Our strategy

Today we are a bigger, stronger, more diverse and more resilient business. We are the market leader in a profitable and growing soft drinks category that is worth approximately €130 billion across our markets. Our goal is to outperform the market, creating value for our customers and delivering growth for our shareholders while supporting our people and communities.

CCEP has already come a long way. And with great people, great service, great beverages, done sustainably, we're determined to go even further together.

Find out more at cocacolaep.com/about-us



Great people

We take care of the 33,000 people who make our business successful, and the suppliers, customers and communities we support. We want CCEP to be a great place to work where people can grow, be happy and be well in a safe, diverse and inclusive workplace.

Great service

We support the growth of our 2 million customers through the quality of the service we provide, our understanding of their businesses, the strength of our salesforce and the value our products create. Whether a grocer, a restaurant, a café bar or a wholesaler, we're committed to delivering the best possible customer experience by making it easy to do business with us.

At CCEP, we're investing now in the ideas that will change our business in the future, and using the latest technology to better serve our customers and reach more consumers.

Great beverages

Our diverse portfolio is built on our core brands like Coca-Cola, Fanta, Sprite, Fuze Tea and Monster, as well as targeted expansion into categories like coffee and alcohol.

At CCEP, we're bringing new products to a new generation of consumers based on clear insights, while developing the classic brands our consumers know and love.

We're reducing the sugar in our drinks and offering low and no sugar options - giving consumers even more choice.

Done sustainably

Our ambition to create a better future, for people and the planet, sits at the heart of how we do business, and the decisions we take. Central to this is our new Group wide target to reach Net Zero by 2040 which we recently submitted to the SBTi for their approval.

We're taking the right steps to stop our packaging ending up as litter or in the oceans. We want every bottle and can to be recycled or reused.

As a local business serving customers and consumers in 29 markets, we take great pride in giving back to our communities.

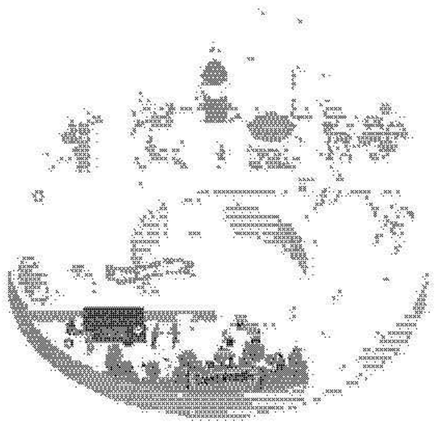
We're partnering with the smartest people to find new ways of sustainably making, selling and distributing our products.

Delivering on our strategy will create:

- **A healthy, safe and engaged workforce**
- **Targeted diversification**
- **Accelerated top line[A][D] (~4%) and bottom line[B][D] (~7%) growth**
- **Strong free cash flow[C][D] (~€1.7 billion per annum)**
- **A more sustainable licence to operate**
- **Even greater relevance with TCCC and our other brand partners**
- **Sustainable value for all stakeholders**

(A) Mid-term comparable and FX neutral revenue growth.
(B) Mid-term comparable and FX neutral operating profit growth.
(C) Mid-term free cash flow after ~4-5% capital expenditure as a % of revenue, excluding payments of principal on lease obligations.
(D) Non-GAAP performance measure. Refer to 'Note regarding the presentation of pro forma financial information and alternative performance measures' on pages 74-75 for the definition of our non-GAAP performance measures.

Our strategy continued
Great people



Great people

We want CCEP to be a great place to work, with a strong and inspiring workplace culture.

Why is this a key focus area for CCEP?	Our talented and engaged workforce drive our success. We're making CCEP more diverse, inclusive and welcoming – so it's a great place to work, where everyone can share their ideas and be empowered to collaborate, win together and grow.
Our ambition:	People who can deliver success for CCEP A safe, open, diverse and inclusive workplace Winning capabilities, agility and a performance mindset
Measuring success:	Top quartile engagement score ~40% of management roles held by women Included on Bloomberg's 2023 Gender Equality Index for third consecutive year Safety incident rates halved since merger

2022 achievements

The wellbeing and safety of our colleagues remains our number one priority at CCEP, and our 'Get home to what you love' campaign really brought the importance of safety to life across our businesses.

We launched the Career Hub in Europe, connecting our internal systems for learning and performance, giving employees personalised recommendations, through skill matching, that help them grow their careers. This will be rolled out to API in 2023.

Our credentials are also being recognised externally. In 2022, we were awarded Gold at the UK Employee Experience Awards in recognition of the digital technologies we use across our workplace, and we were named Employer of Choice in New Zealand, the only company to receive the Gold award in three consecutive years.

Read more about our people on pages 58-63

Case study | Solid results from our first global digital engagement survey

We had strong participation in our first global digital engagement survey with a stable engagement score overall, and rich feedback (21.5k comments). This score continues to position us ahead of our benchmark group.

80%

response rate (+10% vs 2021)

77

engagement score, stable vs 2021 (+2 vs benchmark)



The plan for the year ahead

To continue to offer a workplace where our people feel they belong, and where our inclusive culture drives innovation and performance.

Key goals

Accelerate progress on inclusion and diversity

Ensure the right leaders are in the right roles

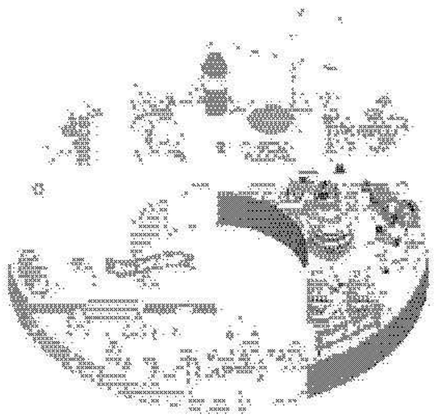
Continue building a culture of sustainability

Invest in the future workforce and digital tools

"We will protect our people, invest in their talent and capabilities, and stand strong on our social and inclusion commitments."

Véronique Vuillod
Chief People and Culture Officer

Our strategy continued
Great service



Great service

We want to win with our customers and maintain high customer service levels.

Why is this a key focus area for CCEP?	At CCEP, we're working to deliver great service to customers. Driving growth, creating value and delivering results through close support and collaboration. Identifying new channels and implementing transformative ways to do business. We have built long-standing and supportive relationships with our customers and we continue to invest in our capabilities and supply chain to provide even better service and drive joint value creation.	**Our ambition:**	Strong and supportive customer service levels Easy to do business with Known for world class execution Agile and flexible Great digital tools enabled by data and analytics Well invested supply chain and optimised portfolio	**Measuring success:**	#1 value creator for our customers as measured by Nielsen Great customer service levels (~90%) Unrivalled customer coverage (~2m) Biggest sales force in fast moving consumer goods (FMCG) (~10k) ~1.5m coolers in market 85% of sales volume captured digitally Total SKUs reduced by 30% (2022 vs 2020)

2022 achievements

Most importantly, we continued supporting our customers through the reopening of HoReCa and maintained high customer service levels.

In Europe, the Netherlands were runners up in the annual global Coca-Cola bottler competition, the Candler Cup, recognising world class customer service and execution.

In Indonesia, we had a record Ramadan period with our biggest ever activation. More focus on core sparkling and RTD tea allowed us to manage our supply chain more efficiently and deliver even better service to our customers.

We are accelerating our digital transformation. In 2022, we hit record revenues with our B2B platforms and grew our online market share by 80 basis points (bps). We continued to invest in our digital workplace tools and other technologies to improve customer service and productivity across our end to end supply chain.

Find out more at cocacolaep.com/about-us/partnerships

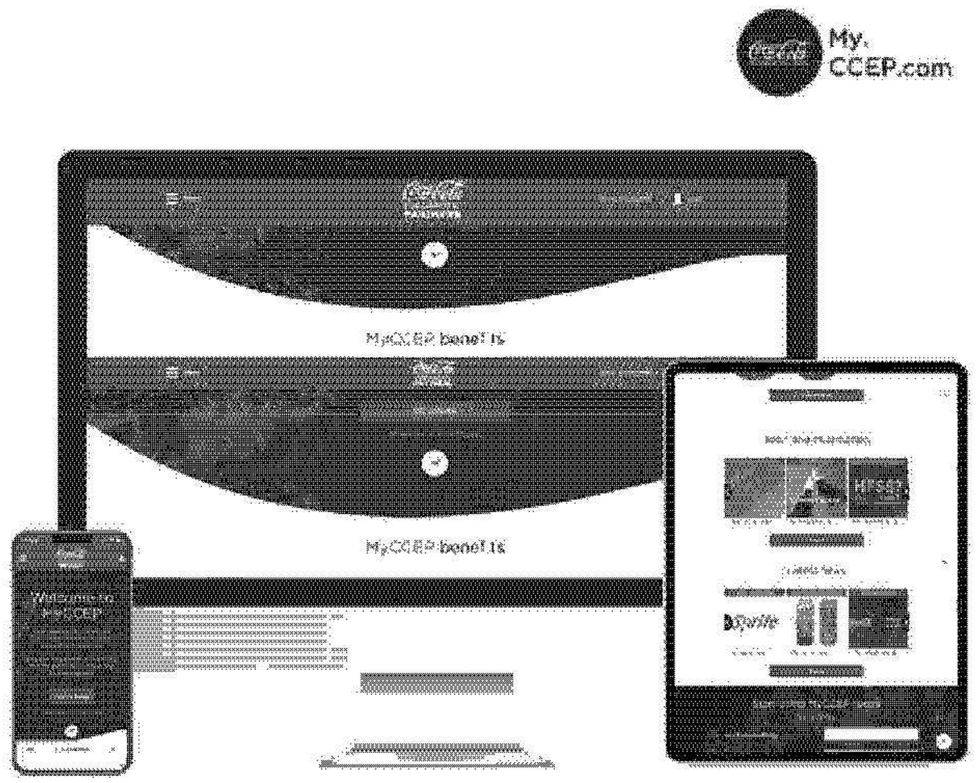
Case study | Smart execution for our customers through B2B platforms

To make it even easier for our customers and wholesalers to do business with us, we've been accelerating our B2B platforms.

~€2bn

of revenue processed through our winning portals in 2022, +50% vs 2021.

We continue to develop the existing functionality to drive ease of ordering, profitable basket growth and account management services.



The plan for the year ahead

To continue to provide an unrivalled customer experience and invest in the capabilities we know we need to win in the future.

Key goals

Focus on joint profit pools and joint value creation

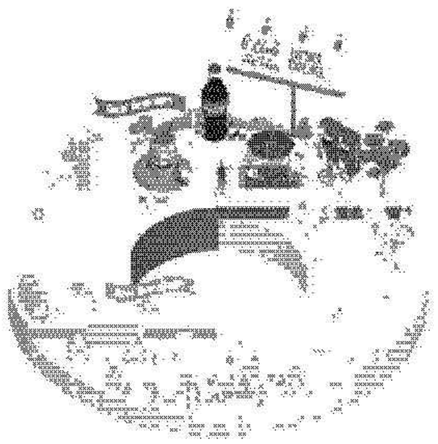
Maintain leading customer service and support growth through our supply chain and technology

Continue to build an innovative culture through our digital tools and CCEP Ventures

"We need to grow our capabilities ahead of the opportunities, putting the customer first and driving joint value creation."

José Antonio Echeverría
Customer Service and Supply Chain Officer

Our strategy continued
Great beverages



Great beverages

We are extremely privileged to make, move and sell the best beverages in the world.

Why is this a key focus area for CCEP?	At CCEP, we're focused on our great beverages. Working with our partners to expand our portfolio by growing and strengthening our core brands, while launching and scaling new products. Innovating to meet changing consumer needs and become the world's most digitised bottler.	**Our ambition:**	Category leadership with great tasting drinks for every occasion, and brands people love Broad price pack architecture Strong and aligned partnerships with brand partners Channel diversification	**Measuring success:**	Solid sparkling share of ~58% Online share greater than in store share We offer choice: in Europe 48.8% of volume sold in 2022 was no or low-calorie

2022 achievements

We aim to meet consumer needs through our diversified portfolio, working closely alongside TCCC and our other brand partners. We continued to grow ahead of the market and gained 10 bps of value share.

Coca-Cola Zero Sugar continued to grow strongly across all of our markets with volumes up 10.0%

What The Fanta created great excitement for the brand, with volumes up 15.5%, also helped by the rebound of the AFH channel

Energy volumes +18.5% supported by solid distribution and exciting innovation from Monster

Fuze Tea volumes +28.0% driven by further value share gains in Europe

Find out more at cocacolaep.com/about-us/products

Case study | **Great results from Coca-Cola Zero Sugar relaunch**

Throughout 2021, we rolled out our new taste and new look campaign across our markets for Coca-Cola Zero Sugar. This has been a great success, driving our strong volume performance in 2022 across all markets.

+50bps
value share gains in Europe

+110bps
value share gains in Australia



The plan for the year ahead

At least maintain or grow our share of the category driven by growth in core brands and selected expansion into newer categories.

Key goals

Provide choice within colas and flavours, leading with low and no sugar and flavour extensions

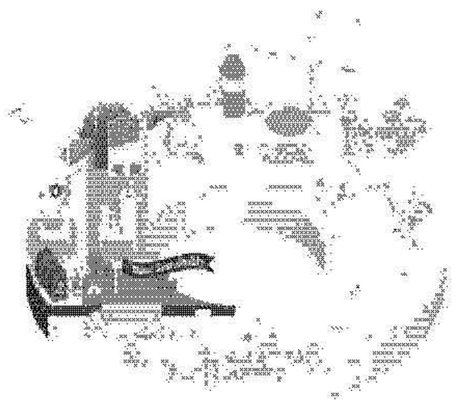
Drive growth in energy through innovation, sugar free and core

Continue building leadership in RTD tea, and scale presence with Costa Coffee

"Together with TCCC and our other partners, we are proud to have a market leading position selling the world's best NARTD brands."

Stephen Lusk
Chief Commercial Officer

Our strategy continued
Done sustainably



Done sustainably

This is Forward, our sustainability action plan, sits at the heart of our long-term business strategy.

Why is this a key focus area for CCEP?	We want to deliver sustainable growth, create value for all our stakeholders and build a better future for our business, our communities and the planet. From our suppliers and investors, to the communities where we operate and the people who make and sell our products, our stakeholders have high expectations of us to address many of today's societal and environmental challenges. Their views and priorities play an integral role in the development of our sustainability action plan.	**Our ambition:**	Climate action Sustainable packaging Water stewardship Promoting the wellbeing of our people and those working across our value chain Offering consumers more choice, with less sugar Contributing to our local communities	**Measuring success:**	Achieved >50% rPET target four years early in Europe[A] Achieved 100% renewable electricity purchase in Europe and New Zealand Recognised by CDP for the seventh year running, achieving a double 'A' score for climate and water in 2022 Included in the 2022 Dow Jones Sustainability Index for the seventh consecutive year

2022 achievements

Some of our proudest achievements in 2022 include:

We reduced emissions across our value chain by 9.4% (versus 2019), working towards our science based GHG emissions reduction target of a 30% absolute reduction by 2030

By the end of 2022, four more of our production facilities became carbon neutral, totalling six to date

We reviewed and updated This is Forward to cover all of our markets in Europe and API

We established a sustainability-linked supply chain finance programme

We invested in Australia and Indonesia to help build two new PET recycling plants

Find out more at cocacolaep.com/sustainability

(A) In 2019, we announced enhanced packaging targets for Europe, bringing forward the deadline to use at least 50% rPET from 2025 to 2023. Since 2021, our rPET use in Europe has been >50%.

Case study | **Creating the largest fleet of electric trucks in Belgium**

We are now using 30 electric trucks to make last mile deliveries to local customers in Belgium. This fleet will cover about 40% of our local delivery routes and each truck has access to on-site charging stations that are powered by 100% renewable electricity.

75%

saving in CO_2e emissions per year compared to diesel trucks.

The investment is a further step in our ambition to reduce emissions across our entire value chain.



The plan for the year ahead

Continue to build a stronger and even more sustainable business for the future

Key goals

Focus on our new society goals to drive diversity and support 500,000 people facing barriers in the labour market by 2030

Conduct a biodiversity and deforestation risk assessment

Continue to develop our carbon reduction roadmaps

"We continued to make progress on our ambition to reach Net Zero emissions by 2040 and invest in making our packaging more sustainable."

Ana Callol
Chief Public Affairs, Communications and Sustainability Officer

Taking action on sustainability
This is Forward

This is Forward is our sustainability action plan. It sets out the actions we are taking on six key social and environmental topics, where we know we can make a significant difference on areas our stakeholders want us to prioritise.

In 2022, we reviewed and updated This is Forward to cover all of our markets in Europe and API. It provides an action plan that we will work towards across 29 markets, and includes ambitious, time-bound sustainability commitments.

It includes our updated short-term and long-term absolute GHG emissions reduction targets, covering Scope 1, 2 and 3 emissions across our entire value chain, which we recently submitted to the SBTi for their approval. Our commitments also align with the targets which underpin the United Nations Sustainable Development Goals (SDGs).

This is Forward was first launched in 2017 and we have made strong progress since then. However, the social and environmental challenges we face, including climate change and the plastic waste crisis, are greater than ever.

Supporting principles

This is Forward is closely aligned with TCCC's global sustainability ambitions and is underpinned by a set of supporting principles that reflect our commitment to:

- Responsible advertising and marketing – promoting our products responsibly through our responsible sales and marketing principles.
- Transparency and disclosure – reporting our progress on an annual basis and disclosing information about our GHG emissions and the climate risks we face.
- Supporting our communities through employee volunteering – enabling our employees to spend up to two working days per year volunteering for local charities and community causes.
- Supporting innovation and new technologies, through our investment engine CCEP Ventures – helping to fund and foster transformative solutions to the biggest sustainability challenges we face.
- Powerful partnerships with brand owners to inspire and engage.

Read more about our commitments
at.cocacolaep.com/sustainability/this-is-forward

CDP A LIST 2022 CLIMATE WATER
MSCI ESG RATINGS AAA
Member of Dow Jones Sustainability Indices Powered by the S&P Global CSA
PLATINUM 2023 ecovadis Sustainability
FTSE4Good

This is Forward – CCEP's sustainability action plan

Coca-Cola EUROPACIFIC PARTNERS > THIS IS FORWARD



This is Forward - our sustainability action plan

Our headline commitments

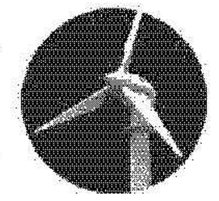
Pillar	Commitment	Target
Forward on **climate**	Net Zero	Net Zero GHG emissions (Scope 1, 2 and 3) by 2040[A]
	GHG emissions reduction	Reduce absolute GHG emissions (Scope 1, 2 and 3) by 30% by 2030[A]
	Renewable electricity	Use 100% renewable electricity across all markets by 2030
	Supplier engagement — GHG emissions	100% of carbon strategic suppliers[B] to set science based targets by 2023 (Europe) and 2025 (API)
	Supplier engagement — renewable electricity	100% of carbon strategic suppliers to use 100% renewable electricity by 2025 (Europe) and 2030 (API)
Forward on **packaging**	Design	100% of our primary packaging to be recyclable by 2025
	Recycled plastic	50% recycled plastic in our PET bottles by 2023 (Europe) and 2025 (API)
	Virgin plastic	Stop using oil-based virgin plastic in our bottles by 2030
	Collection	Collect and recycle a bottle or a can for each one we sell by 2030
Forward on **water**	Water stewardship	Set context based water targets at all production facilities[C]
	Replenish	Replenish 100% of water we use in our beverages
	Regenerative water use	100% regenerative water use in leadership locations[D] by 2030
Forward on **supply chain**	Sustainable sourcing	100% of main agricultural ingredients and raw materials sourced sustainably
	Human rights	100% of suppliers to be covered by our Supplier Guiding Principles – including sustainability, ethics and human rights
Forward on **drinks**	Sugar reduction	Reduce sugar: by 10% in Europe by 2025[E], by 20% in New Zealand by 2025[F], by 25% in Australia by 2025[F], by 35% in Indonesia by 2025[F]
	Low and no calorie	Over 50% of sales to come from low or no calorie drinks by 2030 (Europe by 2025)[G]
Forward on **society**	Gender diversity management	45% of management positions to be held by women by 2030
	Gender diversity	A third of our workforce to be women by 2030
	Disabilities	10% of our workforce represented by people with disabilities by 2030
	Supporting skills development	Support the skills development of 500,000 people facing barriers in the labour market by 2030

Note: For details on our approach to reporting and methodology please see our '2022 Sustainability reporting methodology' document on cocacolaep.com/sustainability/download-centre
(A) New Group wide commitment versus 2019. Submitted SBTi target and awaiting approval. We anticipate that the SBTi will complete its review by the end of 2023.
(B) Carbon strategic suppliers account for ~80% of our Scope 3 GHG emissions (approximately 200 suppliers in total).
(C) Non-alcoholic ready to drink (NARTD) only.
(D) NARTD production facilities which rely on vulnerable water sources or have high water dependency. We have nine leadership locations in Europe and four in API.
(E) Reduction in average sugar per litre in soft drinks portfolio versus 2019. Sparkling soft drinks, non-carbonated soft drinks and flavoured water only. Does not include plain water or juice.
(F) Reduction in average sugar per litre in NARTD portfolio versus 2015. Including dairy. Does not include coffee, alcohol, beer or freestyle.
(G) Does not include coffee, alcohol, beer or Freestyle. Low calorie beverages ≤20kcal/100ml. Zero calorie beverages <4kcal/100ml.

See more details on our key sustainability achievements on pages 249-252

Taking action on sustainability

Task Force on Climate-related Financial Disclosures (TCFD)



How we have adopted the recommendations of the Task Force on Climate-related Financial Disclosures

CCEP is committed to being transparent about the effects of climate change, and the risks and opportunities that might impact our business, and is implementing the recommendations from the TCFD. The table below outlines our climate-related financial disclosures across the four pillars and 11 recommended disclosures in the TCFD October 2021 updated guidance. Where our disclosures are not consistent with TCFD Recommendations and Recommended Disclosures, the reasons for this and steps we are taking are set out in this report. We expect to move to full alignment with TCFD Recommendations and Recommended Disclosures within the medium term. Modelling was completed as follows:

- Risks and opportunities are disclosed under three potential emission pathways: >4°C, +2.5°C and +1.5°C.
- Scenarios have been modelled on a gross-risk basis, assuming no mitigating actions or progress on our stated This is Forward sustainability action plan, and assumes that CCEP's operational footprint, product portfolio and GHG emissions remains static. Specific mitigating actions and related investments relating to physical and transition risks are listed separately on pages 34 and 36, respectively.
- Our This is Forward sustainability action plan, including our 2030 absolute GHG emissions reduction commitment and Net Zero 2040 target[A] are designed to help us mitigate climate-related risks.
- Financial scenario analysis of emission pathways has been estimated over the short term (five years). We expect that more significant impacts of climate change would be seen over the medium term (2030) and long term (2040 and beyond). Medium-term and long-term physical and transition risks have been disclosed on a qualitative basis only.
- This work should not be viewed as a forecast, and will evolve in the coming years as we refine these scenarios.

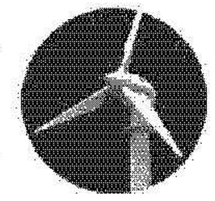
TCFD alignment overview

Recommendation		Recommended disclosures and disclosure level	References and notes
Governance	Disclose the organisation's governance around climate-related risks and opportunities	a. Describe the Board's oversight of climate-related risks and opportunities b. Describe management's role in assessing and managing climate-related risks and opportunities	**TCFD, Governance:** pages 29-31 **Corporate governance report:** pages 97-107 **Audit Committee report:** pages 112-116 **ESG Committee report:** pages 117-118
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	**TCFD, Strategy and Metrics and targets:** pages 31-37 **Our strategy:** pages 21-25 **Principal risks:** pages 64-71 **Note 1, 7 and 8 to the Consolidated financial statements:** pages 165-166; pages 170-173; and pages 174-176 **Viability statement:** page 72 Strategy disclosure 'c' is work in progress. Developing a low-carbon transition plan in line with a 1.5°C pathway. Our climate scenario analysis will inform our understanding of our risks, and increase the resilience of our strategic plans over the medium to long term.
Risk management	Disclose how the organisation identifies, assesses, and manages climate-related risks	a. Describe the organisation's processes for identifying and assessing climate-related risks b. Describe the organisation's processes for managing climate-related risks c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	**TCFD, Risk management:** pages 32-36 **Principal risks:** pages 64-71 **Audit Committee report:** pages 112-116 **ESG Committee report:** pages 117-118
Metrics and targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	**TCFD, Metrics and targets:** page 37 **Forward on climate:** pages 38-41 **Long-term incentives within Annual report on remuneration:** pages 131-132
		b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	**TCFD, Metrics and targets:** page 37
		c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	**Our sustainability headline commitments:** pages 26-27 **Sustainability key performance data summary:** pages 249-252 **Note 8 to the Consolidated financial statements:** pages 174-176

(A) New Group wide short-term and long-term absolute GHG emissions reduction targets, covering Scope 1, 2 and 3 emissions across our entire value chain, have been submitted to the SBTi for their approval. We anticipate that the SBTi will complete its review by the end of 2023.

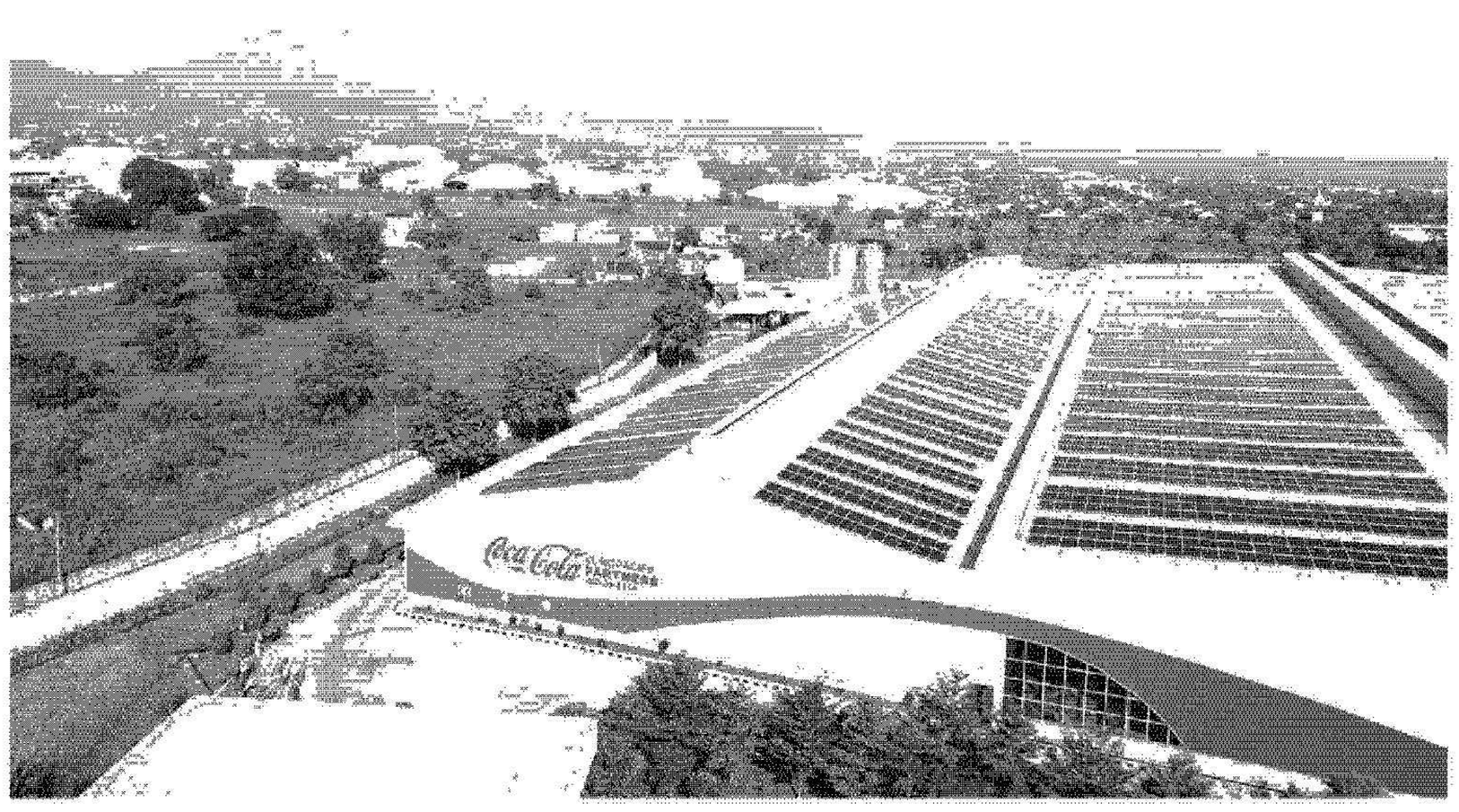
Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



The world is at a critical point. Climate change – caused by GHG emissions – is leading to an increase in global temperature and extreme weather events around the world.

We are committed to addressing climate change by decarbonising our business. We recognise that our long-term success will depend on the social and environmental sustainability of our operations, the resilience of our supply chain and our ability to manage the impact of climate change on our business model and performance.



Above: Solar panel installation at our production facility in Cibitung, Indonesia

Governance

Board-level governance

Our Board of Directors has primary oversight of climate-related risks and opportunities. The Board is supported in its oversight and with driving CCEP's climate agenda by its Committees and predominantly by the ESG Committee and Audit Committee as outlined in the TCFD governance framework (see page 30).

There is close collaboration across these Committees due to the role that both play in ESG reporting, disclosure and assurance. A joint meeting of the ESG and Audit Committees was held in October 2022 to discuss these matters, including this TCFD disclosure.

The Board also receives annual training and deep dives on climate-related issues which in 2022 included a session focused solely on risks, including climate risks. Climate risks and opportunities are also considered as part of the Board's annual strategy session, held each September, with progress updates to the Board throughout the year.

At the end of 2022, CCEP's ESG Committee recommended the Board approval of updated short-term and long-term absolute GHG emissions reduction targets, covering Scope 1, 2 and 3 emissions across our entire value chain. The following targets have been submitted to the SBTi for their approval:

- Short-term target to reduce our absolute emissions by 30% by 2030 (versus 2019)
- Long-term target to reach Net Zero by 2040

We anticipate that the SBTi will complete its review by the end of 2023.

The Committees are supported by management as outlined in the TCFD governance framework and by the management-level governance section.

Management-level governance

Ownership and governance for sustainability-related risks and opportunities and driving progress towards our commitments is embedded throughout our business. Risk management is a key responsibility for all senior leadership who are assigned ownership of specific risks, including climate-related risks.

Each principal risk is assigned an owner at leadership and operational management level. Risks are assessed periodically, the mitigations determined and their effectiveness evaluated. A quarterly risk report informs leadership about risk developments and supports their business decision making.

Key executive leadership and management with responsibility for climate-related issues are outlined in the TCFD governance framework. The main discussion forum for the Executive Leadership Team (ELT) on climate matters is the Sustainability Steering Committee. Multiple working groups focused on the strategy, execution and delivery of CCEP's This is Forward sustainability action plan have been established. Groups meet regularly and items that require decision or approval are raised with the Sustainability Steering Committee as appropriate.

See our TCFD governance framework on page 30

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued

TCFD Governance Framework

The Board
Met six times in 2022

Has primary oversight of climate-related risks and opportunities

Receives feedback on climate-related issues from Committee Chairs and via CEO Report

ESG Committee
Met five times in 2022

- Responsible for overseeing performance against This is Forward strategy and goals
- Reviews environmental and social related risks and opportunities, including climate-related risks and GHG emissions reduction targets
- Oversees ESG reporting, disclosure and assurance

Nomination Committee
Met five times in 2022

- Reviews the size, structure, composition and skills of the Board to ensure it remains effective
- Ensures there is sufficient expertise on the Board in areas such as risk and climate

Remuneration Committee
Met six times in 2022

- Aligns the Group's remuneration policy to reinforce the achievement of sustainability aims
- Oversees performance outcomes from the Long-Term Incentive Plan (LTIP), which has a 15% performance weighting allocated to the reduction of GHG emissions

Audit Committee
Met nine times in 2022

- Ensures that climate related risks and opportunities are managed across the Group
- Oversees risk management process, including annual Enterprise Risk Assessment to identify principal risks including climate risk
- Oversees CCEP's financial and reporting obligations, including ESG-related reporting
- Has oversight over sustainability metrics for capital expenditure proposals

Executive Leadership Team (ELT)
Meets regularly throughout the year

Climate responsibility lies with Chief Executive Officer, Chief Customer Service and Supply Chain Officer and Chief Public Affairs, Communications and Sustainability Officer who are responsible for providing management updates on climate-related topics to the ESG Committee

Sustainability Steering Committee
Meets at least quarterly. Includes ELT members

- Chief Executive Officer
- Chief Financial Officer
- General Counsel and Company Secretary
- Chief Customer Service and Supply Chain Officer
- Chief Commercial Officer
- Chief Integration Officer
- Chief Public Affairs, Communications and Sustainability Officer

Provides opportunity to review:

- This is Forward targets and our progress against these
- Climate-related risks and scenario analysis — including TCFD
- Ouputs raised as required to ESG Committee (including on climate topics)
- 2022 topics included approval of This is Forward commitments, SBTi-aligned GHG reduction targets, and packaging strategy

Compliance and Risk Committee (CRC)
Meets every quarter

- Management committee chaired by the Chief Compliance Officer
- Reviews risk developments, including climate change risks and opportunities

Sustainable Packaging Office (SPO)

- Overseen by Chief Public Affairs, Communications and Sustainability Officer and VP Sustainability
- Responsible for ensuring a sustainable packaging strategy can be implemented across our business, including pack mix, recycled content and improving packaging collection

TCFD and ESG Disclosure group

- Overseen by General Counsel and Company Secretary and VP Sustainability
- Oversight of our work on TCFD and climate-related risks, as well as our broader ESG reporting and disclosure approach

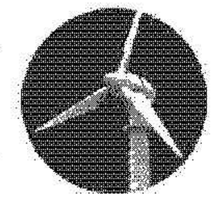
Other working groups (developed as required)

Overseen by Chief Public Affairs, Communications and Sustainability Officer and VP Sustainability. Includes:

- SBTi GHG emissions reduction targets
- Carbon reduction roadmaps
- Assessment of our internal carbon pricing strategy

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



Advisory

We engage regularly with a wide range of stakeholders on ESG matters. Our stakeholders have high expectations of us to address many of today's societal and environmental challenges. They are part of our business and play a vital role in our success at every stage in our value chain. From the suppliers that provide our raw materials, to the communities where we operate and the people who make and sell our products, our stakeholders' views and priorities play an integral role in the development of our This is Forward sustainability action plan.

We also continue to respond to feedback from our stakeholders to make progress on key sustainability issues, and ensure that our reporting and disclosure meets their expectations. In 2022, we engaged with colleagues across our European and API markets, and with TCCC, to explore how we align our sustainability commitments, integrate existing market level targets where relevant and evolve our This is Forward action plan to cover our entire business, including API following the Acquisition in 2021.

Read more about our stakeholders on pages 14-17

Strategy

Climate-related risk has been one of CCEP's principal risks for several years, and there is an increasing likelihood of impact to our current business model unless we take mitigating actions. Climate risk is covered by our risk management framework and follows the same risk management approach as outlined on pages 64 and 65. The loss impact types and impacts from climate risk on our business objectives are highlighted in the Risk section of this report (see Principal risks table on pages 66-71).

We have adopted the use of science based climate scenario modelling, used alongside internal and insurance data to obtain regional analysis of various climate scenarios. This helps us make informed decisions and improves our understanding of the potential climate vulnerabilities in our operations and our value chain. This data and resulting analysis is shared across our business, supporting climate resilience across our planning and operations.

There is no one single emission pathway scenario that underpins our business and financial planning. Our scenario analysis is designed to inform management's understanding of possible risks and opportunities. Scenarios are not intended to be predictions of likely future events or outcomes and, therefore, are not the basis for our operating plans and financial statements.

In 2022, we partnered with Risilience, a specialist risk consultancy which utilises technology pioneered by the Centre for Risk Studies at the University of Cambridge Judge Business School. In partnership with Risilience, we have developed a digital twin platform, enabling us to model physical and transition risks across our value chain over a 20–30 year timeline, in line with various warming scenarios.

We have also worked with external physical climate specialists Marsh Advisory to establish how climate change will impact the frequency and severity of climate-related weather events on our manufacturing and operations, under RCP 2.6 and 8.5 scenarios (~2.0 °C and ~4.3°C emissions pathways respectively). This covers all major climate-induced threats (coastal inundation, river flooding, surface water flooding, extreme heat, extreme wind, wildfire, freeze-thaw and drought-driven soil movement) through to 2100.

Working with Risilience and Marsh enables us to quantify our exposure and potential financial impacts from climate change events for different emission pathways.

We continue to mature our risk management framework, as we start to use AI risk sensing techniques to identify emerging risks including those caused by climate change.

We aim to mitigate many climate-related regulatory risks through ongoing progress against our climate-related goals, including reducing our overall emissions.

We work closely with TCCC to assess climate-related risks and opportunities, driving innovation as a system to meet consumer needs for more sustainable products and combat climate change.

The learnings from these exercises helps to inform our strategic business planning and investment decisions and support delivery of our climate targets. Additionally, we utilise a range of sustainability performance indicators to track our performance across areas like water, GHG emissions and packaging at various levels of the business to monitor our performance and identify improvement opportunities.

We identify opportunities that can help us deliver our This is Forward commitments, and our GHG emissions reduction targets, as part of our business planning cycles. For example, between 2020 and 2022, we invested over €300 million to support the decarbonisation of our business.

A proportion of this investment helped us accelerate our use of recycled PET (rPET) resulting in us achieving our >50% rPET target four years early in Europe[A]. Recycled PET also provides CCEP with a significant opportunity to increase our recycled content level in specific countries to mitigate potential taxes, and could help protect us against potential new taxation, marketing restrictions and bans on single use plastic bottles which do not contain recycled plastic.

As consumers become more environmentally conscious we are aiming to capture this opportunity by eliminating the use of oil-based virgin plastic in our bottles by 2030. In 2022 44.7% of the PET bottles we sold were 100% rPET bottles (Europe 54.0%; API 25.8%).

Through our scenario analysis to assess transition risks we are able to model risks, strengthen our resilience and capitalise on opportunities that could develop as society transitions to a low-carbon economy. The greatest risks and opportunities were found to be linked to packaging across policy, market and reputation risks. Through our SPO, we continue to monitor risks and opportunities linked to various packaging models and regulations, including possible strategies to maximise return on investments and develop resilience via a diverse packaging portfolio.

The adoption of energy and water efficiency measures across our manufacturing operations also provides an opportunity for our business. In 2022, we invested ~€24.8 million in energy, logistics and carbon-saving technologies. We estimate that this could save ~9,000 MWh, and ~30,000 tonnes of CO_2e per year. We estimate that these investments could help us avoid annual electricity and natural gas costs of approximately €1–1.2 million per year. We also piloted an internal price on carbon in Europe and proposed a preliminary internal carbon pricing level of €100/tCO_2e to influence strategic business decisions.
The next phase of our climate action plan will be supported by additional investment which will provide targeted financial support to decarbonise our business. We aim to finalise this climate investment plan as part of our 2023 financial long-range planning cycle (2024-2026) in line with our stated mid-term financial objectives.

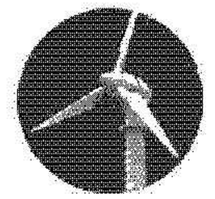
We believe we have a considerable measure of resilience, built up through this analysis and careful planning in our supply chain, commercial and procurement functions.

The impact of climate change is not expected to be material on the going concern period and the viability of the Group over the next three years. This is reflected in our viability statement on page 72.

(A) In 2019, we announced enhanced packaging targets for Europe, bringing forward the deadline to use at least 50% rPET from 2025 to 2023. Since 2021, our rPET use in Europe has been >50%.

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



Risk management

Approach to climate scenario analysis

Our scenario analysis was built together with Risilience, by developing a digital twin model of CCEP. This used data from CCEP's financial forecasts, operational footprint, supply chain information, product portfolio and environmental data.

We then modelled scenarios under different climate emission pathways. These pathways were defined by assumptions about policy change, energy outlooks, technology innovation, and global temperature change, underpinned by the shared socioeconomic pathways (SSPs) which are widely used, including in the Intergovernmental Panel on Climate Change (IPCC) assessment reports.

This physical climate materiality assessment is an important step to inform CCEP's climate resilience planning. Higher risk sites will be furnished with operational adaptation plans and risk engineering improvements to mitigate against damage and business interruption.

Assessing physical and transition risks and opportunities

We assessed physical and transition risks and opportunities in the short (five years), medium (2030) and long term (2040 and beyond). This is in line with a slight extension of our business planning timeframes, our 2030 GHG emissions reduction target, and our long-term 2040 Net Zero target.

The time horizon used for our short-term financial impact assessment is five years, during which we can influence outcomes through strategic, capital allocation, commercial and operational decisions. Due to the number of variables and current constraints of our climate risk scenario analysis, financial impact estimates have limitations beyond the short term. Beyond five years, there is significant uncertainty around the financial impact of climate-related risks and opportunities, therefore we have only assessed the financial impact on this time horizon.

We also performed a high-level review of how CCEP may be impacted by climate change over the medium and long term. We are using scenario analysis on a non-financial basis to help us understand where risks and opportunities are most likely to materialise, to identify trends, and to integrate them into our strategy.

Out of the risks and opportunities we assessed, there are seven risks (three physical, four transition) which we believe are significant. Some risks (e.g. exposure to litigation or investor market risk) were assessed in detail, but are not currently deemed to be significant. We will continue to monitor and refine our modelling of all climate-related risks and opportunities.

Planned future mitigating actions, including those to deliver our short-term and long-term GHG emissions reduction targets, have not been taken into consideration in the scenario analysis. We considered the materiality of risks on a "gross risk" basis, not taking into account relevant risk mitigations and any opportunities that may be linked to those risks.

We have grouped the potential five-year discounted cash flow at risk estimations into "low", "medium" and "high" bands. Each opportunity and risk threat type was assessed in isolation and independently of one another. These bands are based on a five percent profit before tax estimate on a five year cumulative basis.

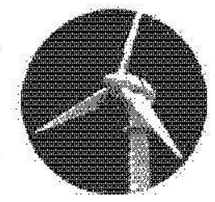
We plan to utilise this scenario modelling and apply relevant learnings as we continue to develop and refine our carbon reduction roadmaps. This will help increase the resilience of our carbon reduction plans and our wider business strategy by ensuring we fully consider the impact of transitioning to a low-carbon economy, particularly over the medium to long term.

Emissions pathway	>4°C emissions pathway	+2.5°C emissions pathway	+1.5°C emissions pathway
SSP	No Policy SSP 5–8.5	Stated Policy SSP 2–4.5	Paris Ambition SSP 1–1.9
Temperature rise by ≈2100	>4°C	+2.5°C	+1.5°C
Global CO_2 emissions	200% by 2100	-75% by 2100	Net Zero by 2050
Global action against climate change	Few or no steps taken to limit emissions. Current GHG emissions levels roughly double by 2050. The global economy is fuelled by exploiting fossil fuels and energy-intensive lifestyles.	Reliance on existing/ planned policies (not commitments). GHG emissions plateau around current levels before starting to fall mid-century, but do not reach Net Zero by 2100.	Immediate and coordinated action to curb emissions. Societies switch to more sustainable practices. Extreme weather is more common than today, but the world has avoided the worst impacts of climate change.
Likelihood	Low	High	Low

Scope and methodology to assess key climate-related risks and opportunities		
	Physical	Transition
What are physical and transition risks and opportunities?	Includes risk of both acute weather events (e.g. floods) and chronic long-term climate shifts (e.g. rising sea levels). Acute physical risks are already occurring – however, the frequency and severity of these is expected to increase.	These are risks and opportunities that could occur while transitioning to a lower carbon economy. The level of impact depends on the nature and speed of the transition. The timing of transitional risks is uncertain, but they are more likely to occur in the short to medium term. Opportunities include consumer trends shifting towards products that have lower emissions and are less water and resource intensive.
CCEP Scope	• CCEP sites and operations • Key areas of our supply chain • Downstream products	
Quantification	Assessed the directional cumulative five-year discounted cash flow at risk (assuming no mitigation). This was completed independently per risk type, including operational disruption and asset damage (physical); loss of revenue, increased cost implications (transition).	

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



Physical risk

We modelled how extreme weather events and chronic changes to weather patterns could have a direct physical impact on our business or our supply chain. Based on this analysis, the potential risk is highest from an increase in drought/water stress and an increase in heatwaves both of which could cause disruption to our operations and key suppliers.

Short-term (five years) cumulative gross risk financial impact estimates (assuming no mitigation)

Five-year discounted cash flow at risk ● Low < €350m ● Medium €350m–€700m ● High >€700m

Physical risks	What could be expected	Short-term cumulative gross risk - Five-year discounted cash flow (assuming no mitigation)		
		>4°C emissions pathway	+2.5°C emissions pathway	+1.5°C emissions pathway
Extreme weather events could cause disruption to facilities and logistics routes	Increasing severity and frequency of extreme weather events, such as floods, extreme heatwaves, windstorms or freezing, exposes us to the risk of our sites being damaged and/or key transportation routes being impacted.	● **Low** • Acute weather events such as extreme heat or flooding could limit our ability to produce or distribute our products. • The highest level of increased physical risk could come from extreme heat, impacting Australia and Spain over the next five years. • Insurance premiums could increase to cover such events.	● **Low**	● **Low**
Increasing water stress or water scarcity	Drought, causing an increase in water scarcity and a deterioration in the quality of available water sources in our territories, even if temporary, could result in increased production costs or capacity constraints, which could adversely affect our ability to produce and sell our beverages.	● **Low** • 24 out of our 66 NARTD production facilities are located in areas of baseline water stress, based on WRI Aqueduct mapping. We have experienced impacts from drought at several of our sites in prior years. • A limited increased risk could occur at our sites in both Europe and API in the near-term. This risk marginally increases under the >4°C and +2.5°C warming scenarios.	● **Low**	● **Low**
Changes to weather and precipitation patterns could cause disruption to supply of ingredients	Decreased agricultural productivity in some regions of the world as a result of changing weather patterns may impact the yield and/or quality of key raw ingredients (e.g. sugar beet, sugar cane, coffee or orange juice) that we use to produce our products.	● **Low** • The areas from where we source our sugar beet, particularly in France, the Netherlands, Great Britain and Spain, could all be subject to climate-related water scarcity issues. • Sugar and orange yields could be negatively impacted across all emissions pathways. • Sugar beet is likely to be the ingredient most sensitive to changing weather patterns in the short term. In our modelling, Spain demonstrated the highest likely decrease in yield, due to potential increased rainfall. • Our modelling demonstrates that coffee yields are unlikely to be adversely impacted.	● **Low**	● **Low**

Scenarios are modelled assuming no mitigating actions or progress on our stated sustainability action plan. It assumes that CCEP's operational footprint, product portfolio and GHG emissions remain static. Our mitigation strategy and our This is Forward sustainability commitments are designed to mitigate climate-related risks.

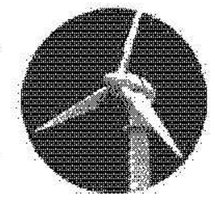
Medium (2030) and long-term (2040 and beyond) non-financial assessment

The largest increase of physical risks over the medium and long term occur under the >4°C warming scenario – driven by potential operational disruption at CCEP facilities and disruption to ingredients supply. We conducted a detailed review of 27 high priority CCEP production facilities under the no policy (>4°C) scenario and without mitigating actions. Over the long term time horizon, the risk of flooding is expected to be the primary threat to a limited number of CCEP production facilities, primarily in Belgium, Spain and Indonesia.

Climate change may exacerbate water scarcity and cause further deterioration of water quality in affected regions. 21 of our production facilities in Europe, and three of our NARTD production facilities in API have been identified as being located in areas of high baseline water stress through WRI Aqueduct baseline water stress mapping.

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



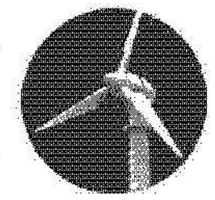
Our strategic response to physical risks

Physical risk	Value chain	How could this impact our business (assuming no mitigation)?	How are we addressing these risks? (Our mitigation strategy)
Extreme weather events could cause disruption to facilities and logistics routes	**Manufacturing and operations**	• Property damage to production and warehouse facilities, logistics hubs and/or distribution fleet. • Damage to facilities, equipment and/or key logistics routes could impact our ability to produce and/or distribute products. • Severe floods in 2021 impacted our production facilities in Chaudfontaine (Belgium) and Bad Neuenahr (Germany). Similar events occurred in Australia in 2022, which did not directly impact our sites, but disrupted our distribution and logistics. We expect flooding to be a key physical risk under all emission pathways.	• We work to adapt to and mitigate climate-related risks to our business from extreme weather events by investing in: – Flood defence and climate adaptation at our sites. – Business continuity planning. • In 2022, we invested approximately €3 million in flood defence and climate adaptation across Europe and API.
Increasing water stress or water scarcity	**Manufacturing and operations**	• Water stress or water scarcity could cause disruption to our production, lead to regulation or limits on our water abstraction which could disrupt or restrict our ability to produce our products. • Even if temporary, this could result in increased production costs or capacity constraints, which could adversely affect our ability to produce and sell our beverages, and increase costs. • 24 out of our 66 NARTD production facilities are located in areas of baseline water stress, based on WRI Aqueduct water risk analysis. We have experienced impacts from drought at several of our sites in prior years, for example in 2020, production at our sites in Dongen (the Netherlands) and Dunkerque (France) was impacted by drought.	• We regularly review the water risks at our NARTD production facilities through WRI Aqueduct baseline water risk assessments, Facility Water Vulnerability Assessments (FAWVA), and Source Water Vulnerability Assessments (SVAs). • These risks assessments directly inform the context based water targets at our NARTD production facilities, to effectively manage local water risks. • At sites located in areas of higher water stress, we work with NGOs, local authorities, and the local community to help protect the watersheds we use. • We target 100% regenerative water use in our 'leadership locations' by 2030[A]. This includes reducing our water use ratio, finding a beneficial use for the wastewater we discharge, and funding replenishment projects near our leadership locations. • In 2022, we invested approximately €1.6 million in water efficiency technology and processes in our sites. We estimate that these investments could help us avoid annual water and waste treatment costs of approximately €125,000 per year.
Changes to weather and precipitation patterns could cause disruption to supply of ingredients	**Supply chain**	• Changing weather patterns and/or extreme weather events could impact the yield and/or quality of key ingredients or raw materials that we use to produce our products – for example, sugar beet, sugar cane, orange juice or coffee. This could reduce availability or increase the cost of ingredients. • The areas from where we source our sugar beet, particularly in France, the Netherlands, Great Britain and Spain could all be subject to climate-related water scarcity issues (based upon WRI Aqueduct water risk analysis).	• We are asking all of our carbon strategic suppliers[B] to set their own science-based GHG reduction emissions targets, including our ingredients suppliers. • Aim for 100% of our key agricultural ingredients and raw materials to be sourced in compliance with our Principles for Sustainable Agriculture (PSA). • We invest in water replenishment programmes in our key sourcing regions – focusing on supporting advanced water management practices. • We support suppliers in being able to measure, set targets and reduce their emissions through training programmes such as the Supplier Leadership on Climate Transition (Supplier-LoCT) programme.

(A) Non-alcoholic ready to drink (NARTD) production facilities which rely on vulnerable water sources or have high water dependency. We have nine leadership locations in Europe and four in API.
(B) Carbon strategic suppliers account for ~80% of our Scope 3 GHG emissions (approximately 200 suppliers in total).

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



Transition risk

Our scenario analysis was focused on the transition risks faced across our value chain under three emissions pathways. Our analysis highlighted a greater potential impact from transition risk in the short term compared to physical risk. The level of exposure to transition risks is driven by the warming scenario, with a +1.5°C scenario showing the highest level of potential transition risk.

Short-term (five years) cumulative gross risk financial impact estimates (assuming no mitigation)

Five year discounted cash flow at risk ● Low < €350m ■ Medium €350m–€700m ● High >€700m

		Short-term gross risk - 5 year discounted cash flow (assuming no mitigation)		
Transition risk	**What could be expected?**	**>4°C emissions pathway**	**+2.5°C emissions pathway**	**+1.5°C emissions pathway**
Policy	Carbon pricing is used as a shadow mechanism through which governments can incentivise GHG emissions reductions. The scenarios assume the use of higher carbon prices across CCEP markets to price and penalise GHG emissions, including those linked to packaging materials, to drive decarbonisation.	● **Low** **Assumes negligible carbon taxes**	● **Low** **Assumes an average €40/tCO_2e of carbon taxes in year five**	■ **Medium** **Assumes an average €80/tCO_2e of carbon taxes in year five**
Market	Consumer awareness of environmental impact drives a shift towards more sustainable, lower-emission alternative products and services. The scenarios assume that consumer preferences will shift towards packaging options that are perceived to be more sustainable, transforming market demand.	● **Low** **Assumes low consumer demand for packaging types that are perceived to be more sustainable**	● **Low** **Assumes moderate demand for packaging types that are perceived to be more sustainable**	● **Low** **Assumes rapid growing demand for packaging types that are perceived to be more sustainable**
Technology	Regulation or market forces could result in the phasing out of fossil fuel and fossil-fuel dependent equipment and vehicles. This could result in carbon-intensive assets becoming devalued and stranded, resulting in impairment and asset write-offs. CCEP has a limited proportion of equipment or assets that depend directly on fossil fuels, with our own fleet assets the primary driver of risk.	● **Low** **Assumes that development is fossil-fuel driven with little innovation**	● **Low** **Assumes moderate investment and innovation in renewable energy**	● **Low** **Assumes rapid decarbonisation, including a rapid shift to renewable energy**
Reputation	Levels of consumer activism could be influenced by how much climate action is taken by the beverage sector and by CCEP. This assumes a potential gross risk if CCEP falls behind the beverage sector, causing increased consumer activism relative to our competitors. This assessment does not include packaging changes likely to be required by legislation across the sector.	● **Low** **Low level of consumer activism**	● **Low** **Moderate climate activism. Assume CCEP is perceived to be in line with the beverage sector**	● **Low** **Assumes CCEP does not keep pace with the beverage sector, causing increased consumer activism**

Scenarios are modelled assuming no mitigating actions or progress on our stated sustainability action plan. It assumes that CCEP's operational footprint, product portfolio and GHG emissions remain static. Our mitigation strategy and our This is Forward sustainability commitments are designed to mitigate climate-related risks.

Medium (2030) and long-term (2040 and beyond) non-financial assessment

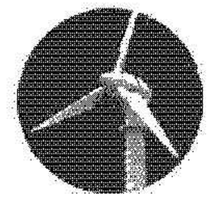
Beyond a five-year time horizon, the level of uncertainty of transition risks increases.

Transition risks are expected to be the most impactful in the short to medium term. In the next five years, in light of the challenge of coordinating global climate action, modest political, economic, and social changes will drive financial impact. More significant action to stimulate a low-carbon transition will accelerate the rate of transition and increase the magnitude of impacts to the business.

Over the medium term, new regulations designed to decrease the use of packaging materials that contribute to GHG emissions or that introduce quotas for refillable packaging could require additional investments in our packaging portfolio, manufacturing capabilities and distribution network. This could be accelerated by an increasing demand from consumers for more sustainable products. Through our Sustainable Packaging Office we continue to monitor risks and opportunities linked to various packaging models and regulations, including ways to maximise returns on possible investments through pricing, increasing our value share and the avoidance of potential taxes.

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued

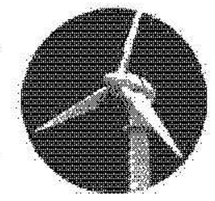


Our strategic response to transition risks

Transition risks	Value chain	How could this impact our business (assuming no mitigation)?	How are we addressing these risks? (Our mitigation strategy)
Policy	**Packaging**	Introduction of carbon and/or packaging taxes or levies, aimed at reducing GHG emissions from packaging and waste, that could result in: • Increased costs for packaging materials	• A target to collect and recycle a bottle or a can for each one we sell by 2030. Enabled through cross industry collaboration to increase recycling rates and driving a circular economy. • Increasing recycled material in our bottles and cans. • A commitment to stop using oil-based virgin plastic in our bottles by 2030. • Innovating in refillable and dispensed solutions as a key strategic route to eliminate packaging waste and reduce our carbon footprint. • Between 2020 and 2022, we invested €300 million in GHG emissions reduction, a portion of which helped us accelerate our use of rPET. Using rPET provides CCEP with a significant opportunity to increase our recycled content level in specific countries to mitigate potential taxes, and could help protect us against potential new taxation, marketing restrictions and bans on single use plastic bottles which do not contain recycled plastic.
	Operations and raw materials	Increase in carbon taxes, aimed at reducing GHG emissions within industry groups that could result in: • Increased energy costs • Increased raw materials costs	• Set science based short-term and long-term GHG emissions reduction targets to reduce our absolute GHG emissions by 30% by 2030 (vs 2019), and to achieve Net Zero by 2040. • The purchase of renewable electricity (100% in Europe since 2018; 100% in API by 2030). • Engaging and working with our carbon strategic suppliers to: – set their own science based GHG emissions reduction targets by 2023 (Europe) and 2025 (API) – use 100% renewable electricity in their operations by 2025 (Europe) and 2030 (API) – share their carbon footprint data with us • Aim to source all our agricultural ingredients and raw materials sustainably by ensuring our ingredient suppliers meet our PSA requirements. • In 2022, we invested ~€24.8 million in energy, logistics and carbon-saving technologies across our markets, saving ~9,000 MWh per year and ~30,000 tonnes of CO_2e. We estimate that these investment measures could help us avoid annual costs of approximately €1.0-1.2 million per year.
Market (consumer)	**Brands and portfolio**	• Loss of revenue and/or missed growth opportunities	• Regular review of products and business models based on their carbon, packaging and water footprints. • Removing packaging materials where we can and setting targets to work towards collecting all the packaging we use, increase our use of recycled content and reuse packaging in a circular system.
Technology	**Operations**	• Asset write downs, investments in low-emission technology to meet market regulation	• Investment in lower-emission/renewable energy reliant manufacturing equipment and transportation. • Commitment via EV100 to transition all of our cars and vans in Europe to electric vehicles (EVs), or ultra-low emission vehicles by 2030. In 2022, 20% of our cars and vans in Europe were plug-in hybrid electric or pure EVs. • Investing in the decarbonisation of our production facilities in line with our short-term GHG emissions reduction target. • Reviewing and investing in emerging technologies through CCEP Ventures.
Reputation	**Brands and portfolio**	• Loss of revenue and/or missed growth opportunities due to consumer activism against our sector and/or our products	• Set science based short-term and long-term GHG emissions reduction targets to reduce our absolute GHG emissions by 30% by 2030 (vs 2019), and to achieve Net Zero by 2040. • Increasing recycled content in packaging and increasing collection rates. • Developing refillable and reusable product offerings for consumers. • Continue to work with TCCC and other franchise partners as part of a system approach driving the sustainability agenda of our brands.

Taking action on sustainability continued

Task Force on Climate-related Financial Disclosures (TCFD) continued



Metrics and targets

Through our sustainability reporting and disclosure we measure, monitor and manage our sustainability targets and other sustainability-linked metrics.

As part of our sustainability materiality process, we have used stakeholder insights to inform the update of our This is Forward commitments. The targets in This is Forward have been extended to cover all of our markets in Europe and API, and include ambitious, time-bound sustainability commitments. We plan on completing a more detailed materiality analysis in 2023.

For a full list of all sustainability metrics disclosed within this report please refer to our "Sustainability key performance data summary" on pages 249-252. This section also includes a summary of our approach to reporting, and an overview of our GHG emissions calculation methodology.

Climate-related targets

This is Forward includes key metrics and targets to assess and manage climate risks and opportunities across our value chain. Our climate targets are:

- Net Zero GHG emissions (Scope 1, 2 and 3) by 2040
- Reduce absolute GHG emissions (Scope 1, 2 and 3) by 30% by 2030 (versus 2019)
- Use 100% renewable electricity across all markets by 2030
- 100% of carbon strategic suppliers to set science based targets by 2023 (Europe) and 2025 (API)
- 100% of carbon strategic suppliers to use 100% renewable electricity by 2025 (Europe) and 2030 (API)

Our short-term and long-term emissions targets have been submitted to the SBTi for approval.

To support the development of a new Group wide science based GHG emissions reduction target, we have established carbon reduction roadmaps across our markets. Over the next year, this work will help us develop a low-carbon transition plan, supported by long-term investment.

The table to the right provides an overview of our GHG emissions and energy use. A more detailed breakdown of emissions by source can be found in our Forward on Climate section on pages 38-41.

Water efficiency and replenishment targets

We adopt a value chain approach to water stewardship, focusing on water efficiency within our own operations, and work to protect the sustainability of the water sources that our business, our communities and our suppliers rely upon. Our This is Forward water targets are as follows:

- Set context based water targets at all NARTD production facilities
- Replenish 100% of the water we use in our beverages
- 100% regenerative water use in 'leadership locations' by 2030

Our manufacturing water use ratio[A] is a key metric to measure water efficiency and all of our NARTD production facilities must set site-level water use ratio reduction targets, the level of which is based on the local site risk. In 2022, we achieved a 5.4% improvement in water use efficiency since 2019. We also measure and report on total water withdrawals and production volumes from areas of baseline water stress. Please see our 'Forward on water' section on pages 46-48 for further details on our water strategy and water risk assessment process.

Packaging metrics and targets

Packaging represents 38% of our total value chain carbon footprint – making it one of the most material areas where we can reduce our carbon footprint. Removing and reducing unnecessary packaging and driving the circularity of packaging we use will reduce the carbon footprint of our packaging and help us achieve our climate goals. More information on our packaging strategy, targets and metrics can be found in our Forward on packaging section, see further details on pages 42-45.

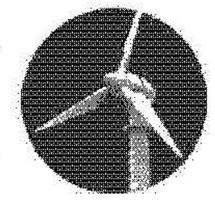
Carbon emissions and energy use

	Group[B]		UK and UK offshore[C]		
Tonnes of CO_2e	2019[D] baseline	2022	2019[D] baseline	2021	2022
Scope 1 Direct emissions (e.g. fuel used in manufacturing, own vehicle fleet)	343,784	**295,904[F]**	36,193	**37,501**	**29,436**
Scope 2 (market based) Indirect emissions (e.g. electricity)	218,082	**186,494[F]**	37	**2**	**2**
Scope 2 (location based) Indirect emissions (e.g. electricity)	380,173	**303,597[F]**	22,186	**16,489**	**15,985**
Scope 3 Third party emissions (e.g. ingredients, packaging, CDE, third party transportation)	5,410,655	**4,931,065[F]**	712,608	**682,888**	**700,012**
GHG emissions Scope 1, 2 and 3 (full value chain)[E]	5,972,521[F]	**5,413,463[F]**	748,838	**720,391**	**729,449**
Intensity ratio					
Full value chain GHG emissions (Scope 1, 2 and 3) per litre (g CO_2e / litre)	330.7[F]	**289.4[F]**	248.9	**228.3**	**215.8**
GHG emissions (Scope 1 and 2) per euro of revenue[E]	36.9	**27.9[F]**	15.0	**14.4**	**9.5[F]**
Energy use					
Direct energy consumption (Scope 1) (MWh)	1,276,424	**1,120,774**	145,385	**161,015**	**131,111**
Direct energy consumption (Scope 2) (MWh)	935,478	**901,588**	94,622	**85,390**	**91,904**
Direct energy consumption (Scope 1 and Scope 2) (MWh)	2,211,902	**2,022,362[F]**	240,007	**246,405**	**223,016[F]**

Note: For details on our approach to reporting and methodology please see our '2022 Sustainability reporting methodology' document on cocacolaep.com/sustainability/download-centre.
(A) Measured as litres of water per litre of finished product produced. All beverage production facilities.
(B) The acquisition of API completed on 10 May 2021 however the baseline metrics above are presented on a full year basis for 2019 to allow for better period over period comparability. 2021 data not disclosed due to the timing of the Acquisition.
(C) Equates to Great Britain for CCEP.
(D) 2019 baseline has been restated – as described in our "Sustainability key performance data summary" on pages 248-251.
(E) Scope 2 is market based approach only. Emissions from biologically sequestered carbon in 2022 were 63,500 tonnes of CO_2e, reported outside of the three scopes, in line with WRI/WBCSD GHG Protocol guidance.
(F) Subject to external independent limited assurance by DNV. See page 252 for details.

Taking action on sustainability continued

Forward on climate



The context

The Intergovernmental Panel on Climate Change (IPCC) has issued a 'code red' for humanity, showing unequivocally that human activity is the cause of rapid changes to our climate. To limit global warming to 1.5°C, humanity must achieve global net zero emissions by 2050.

We take our responsibility to reduce our GHG emissions seriously. Over the last decade, we have made strong progress across our entire value chain – but much more needs to be done.

Our strategy

We are committed to decarbonising our entire business. Following work to better understand our emissions in our API business, we have submitted short-term and long-term absolute GHG emissions reduction targets, covering our Scope 1, 2 and 3 emissions, to the SBTi for their approval.

This includes a:

- short-term target to reduce our absolute GHG emissions by 30% by 2030 (versus 2019)
- long-term target to reach Net Zero by 2040

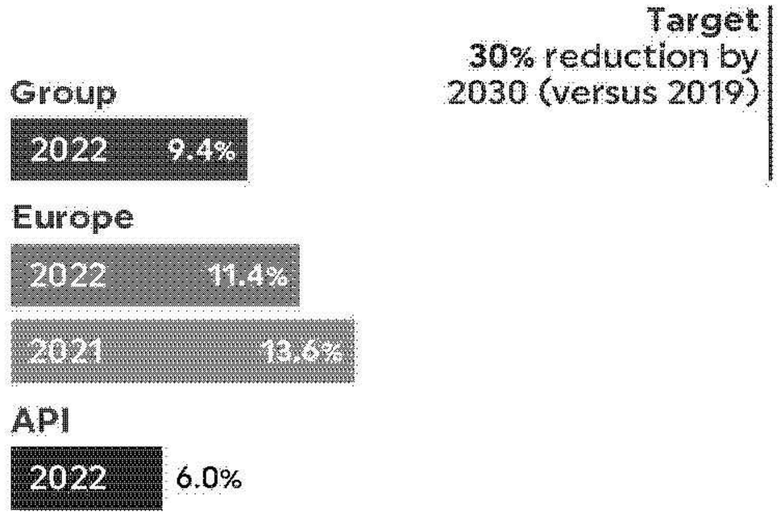
We anticipate that the SBTi will complete its review by the end of 2023.

We know that these targets are challenging and we are focused on delivering them by:

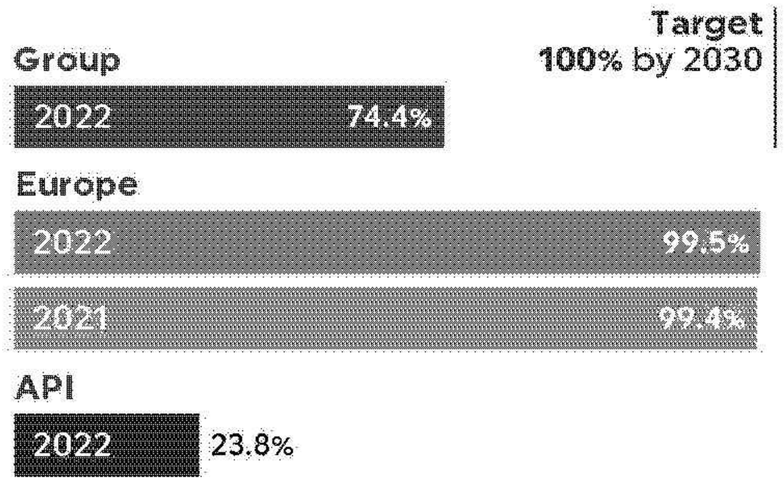
- developing a low-carbon transition plan, focused on reducing emissions across each area of our value chain, supported by long-term investment
- including a GHG emissions reduction target in our LTIP for senior management. This metric has a 15% weighting and is included alongside traditional financial metrics, including earnings per share and return on invested capital
- asking our carbon strategic suppliers to set their own science based carbon reduction targets and to shift to 100% renewable electricity
- developing a limited carbon offsetting strategy for the short and long term, focused on carbon removals, to support our Net Zero target.

Targets and performance[A]

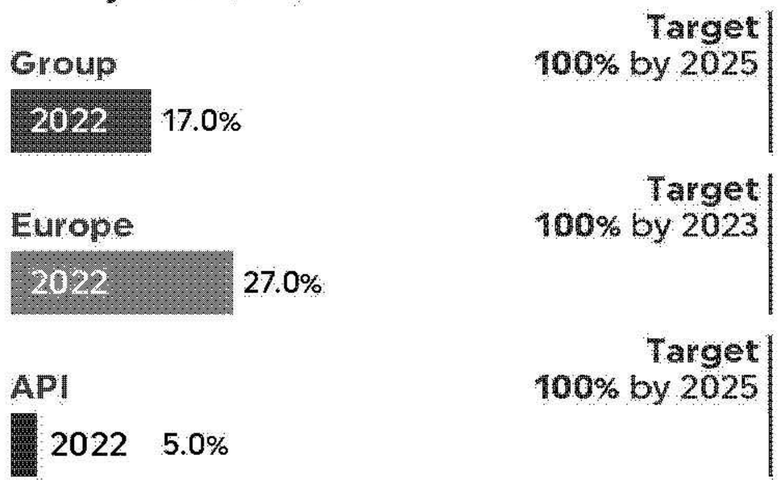
Reduce emissions
Reduce absolute GHG emissions (Scope 1, 2 and 3) by 30% by 2030[B], versus 2019



Renewable electricity consumption
Use 100% renewable electricity across all markets[C] by 2030



Supplier engagement
100% of carbon strategic suppliers[D] to set science based targets by 2023 (Europe) and by 2025 (API)

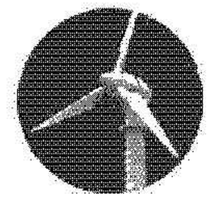


Supplier engagement
100% of carbon strategic suppliers to use 100% renewable electricity by 2025 (Europe) and by 2030 (API)[E]

(A) The acquisition of API completed on 10 May 2021. The Group and API sustainability metrics are presented on a full year basis for 2019 baselines calculated on a pro forma basis to allow for better period over period comparability.
(B) New Group wide commitment versus 2019. Submitted SBTi target and awaiting approval. We anticipate that the SBTi will complete its review by the end of 2023.
(C) See page 40 for renewable electricity purchased percentages for Group, Europe and API.
(D) Carbon strategic suppliers account for ~80% of our Scope 3 GHG emissions (~200 suppliers in total). A further 42% (Europe 56%; API 30%) have committed to set science based targets, including those who may have already submitted targets to the SBTi.
(E) Complete data not available for 2022 reporting. We aim to report on this indicator in 2023.

Taking action on sustainability continued

Forward on climate continued



GHG emissions | Value chain

Delivering a low-carbon transition

Between 2020 and 2022, we supported the delivery of our GHG emissions reduction target through a €300 million investment plan. A proportion of this investment helped us accelerate our use of recycled PET (rPET) resulting in us achieving our >50% rPET target four years early in Europe[A]. Our efforts across our entire value chain reduced emissions by 9.4% versus 2019.

In 2022, to support the development of a new Group wide science based GHG emissions reduction target, we established carbon reduction roadmaps across our markets. These focus on achieving "big bet" decarbonisation initiatives across our value chain by 2030. This includes initiatives such as reviewing our pack mix, efficiency improvements to our cold drink equipment (CDE), and our third party transportation and distribution. This work will help us develop a low-carbon transition plan, supported by long-term investment.

To support our business planning, we have embedded a carbon projection into our 2023–2025 long range plan and 2023 business plan, providing us with greater connection between our commercial and carbon forecasts. We also piloted a preliminary internal carbon price of €100/tCO_2e in Europe as a way of influencing strategic business decisions.

CCEP Ventures

Through CCEP Ventures, our investment platform for sustainability initiatives, we aim to invest in solutions that will help us reach our Net Zero 2040 target, including carbon-capture technology.

In 2022, we invested in a collaboration with the University of California, Berkeley to research the production of sugar from captured CO_2.

Building upon that partnership, CCEP Ventures recently entered into two new partnerships with Universitat Rovira i Virgili in Tarragona, Spain and the University of Twente in the Netherlands. These partnerships will explore ways to transform captured CO_2 that is present in an emission source or even in the atmosphere into the production of other goods like fuel, ingredients, and packaging.

Discover more about CCEP Ventures at cocacolaep.com/ventures

Reducing supplier GHG emissions

Over 90% of our value chain GHG emissions are attributed to our supply chain (Scope 3). To reduce our Scope 3 emissions, we have asked approximately 200 carbon strategic suppliers (representing approximately 80% of our emissions) to:

- set science based targets by 2023 in Europe and by 2025 in API
- use 100% renewable electricity by 2025 in Europe and by 2030 in API

By the end of 2022, 17% (Europe 27%; API 5%) of these suppliers had set a science based emissions reduction target. A further 42% (Europe 56%; API 30%) have committed to set science based targets, including those who may have already submitted targets to the SBTi. Approximately 36% of our Scope 3 emissions in Europe were linked to suppliers with SBTi-validated targets in 2022.
We are also working with TCCC to collect and validate emission data directly from our suppliers, initially focusing on packaging and ingredient suppliers. This work will be critical in helping us to reflect the impact of our suppliers' actions more accurately.

Reducing the carbon footprint of our packaging

Packaging accounts for a significant part of our GHG emissions, representing 38% of our total carbon footprint.

We work to reduce the carbon footprint of our packaging in many ways – including reducing the weight of our packaging, innovating in refillable packaging and packageless technology, and by reviewing our pack mix .

One of the most significant ways we can reduce the carbon footprint of our packaging is by replacing virgin material with recycled content across all of our packaging types. In 2022 48.5% of the PET we used was rPET (Europe 56.3%; API 26.9%). We estimate our use of rPET in 2022 delivered a reduction of approximately 100,000 tonnes of CO_2e[B]. In addition, we have a target to stop using oil-based virgin plastic in our bottles by 2030. In 2022, 44.7% of the PET bottles we sold were 100% rPET bottles (Europe 54.0%; API 25.8%).

Read more about our packaging activities on pages 42-45

Reducing the carbon footprint of our ingredients

Our ingredients account for 23% of our total carbon footprint. The majority of this footprint comes from the farming, processing and transportation of our ingredients. To reduce it, we are collecting more accurate carbon data from our suppliers and aim for 100% compliance with our Responsible Sourcing Policy (RSP) which includes TCCC's Supplier Guiding Principles (SGPs), Principles of Sustainable Agriculture (PSA) and commitments and expectations around carbon management.

Read more about our approach to sourcing on pages 49-52

GHG emissions across our value chain (Group)[C]



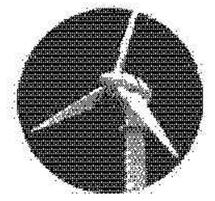
(A) In 2019, we announced enhanced packaging targets for Europe, bringing forward the deadline to use at least 50% rPET from 2025 to 2023. Since 2021, our rPET use in Europe has been >50%.

(B) Comparing 0% rPET rate vs actual 2022 48.5% rPET rate.

(C) Rounded to the nearest 1%.

Taking action on sustainability continued

Forward on climate continued



GHG emissions | Operations and commercial sites

Reducing the carbon footprint of our operations and commercial sites

Our operations and commercial sites account for 12% of our total carbon footprint.

We are working to reduce emissions from our production facilities by shifting to renewable electricity, improving energy efficiency, investing in on-site renewable energy, transitioning from fossil fuel to electric machinery (such as boilers and manual handling equipment) and reducing our fugitive CO_2 losses.

In 2022, we invested ~€24.8 million in energy, logistics and carbon-saving technologies. We estimate that this could save approximately 9,000 MWh and ~30,000 tonnes of CO_2e per year. We estimate these investments could help us avoid annual electricity and natural gas costs of ~€1-1.2 million per annum. For example in 2022, we saved approximately 800 MWh per year by improving the efficiency of high pressure air compressors at three Spanish production facilities. In Indonesia, we carried out more than 30 energy-efficiency projects, which helped to reduce our energy use ratio from 0.93 in 2021 to 0.82 MJ/litre in 2022.

Energy use ratio (MJ/litre of product produced)



Renewable electricity

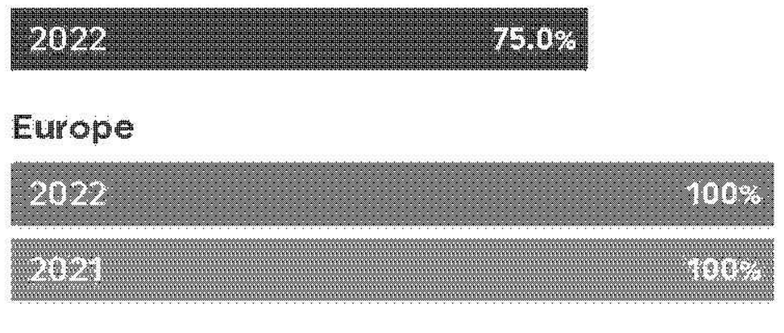
Using renewable electricity is critical to our decarbonisation journey. As a member of The Climate Group's RE100 initiative, we are committed to using 100% renewable electricity across all of our markets by 2030.

In Europe, we have purchased 100% renewable electricity since 2018, with 99.5% of the total electricity we used in Europe in 2022 coming from renewable sources. The gap is due to a small amount of non-renewable electricity used in leased facilities where we do not directly control the electricity contracts.

In API, 20.5% of the electricity purchased and 23.8% of the electricity used was from renewable sources. In New Zealand, we switched to using 100% renewable electricity three years ahead of our target. In Australia, we have signed an eight year renewable electricity agreement with Alinta Energy to purchase large-scale generation certificates and 13,000 MWh a year of renewable electricity from the Yandin Wind Farm, one of the largest in Western Australia.

We continue to invest in renewable and low-carbon energy projects at our production facilities, including on-site and power-purchase agreements for solar, wind, combined heat and power (CHP), district heating and hydropower. In 2022, 15 of CCEP's facilities sourced electricity from on-site solar, wind or hydro power, generating ~17,000 MWh of electricity. For example, in Portugal, we installed solar panels at our Azeitão plant in 2022, supplying up to 18% of the site's electricity demand.

Purchased renewable electricity (percentage)



Carbon offsetting

We are focused on decarbonising our business, in line with a 1.5°C reduction pathway. In line with SBTi-Net Zero guidance, we support a limited amount of carbon offsetting outside of our value chain in the short term.

To do this, we have purchased a limited amount of high-quality carbon credits to offset emissions where we cannot reduce further – for example, to offset remaining emissions for our carbon neutral production facilities.

In 2022, we retired 9,375 tCO_2e of carbon credits from a VCS-certified REDD forest protection project based in Pulau Borneo, Indonesia. These credits were used to offset remaining emissions from our six carbon neutral sites. We have also purchased a limited amount of credits that we plan to use in 2023 and 2024. In the longer term, we will be working to directly invest in nature-based solutions that remove carbon from the atmosphere.

Case study
Carbon neutral production facilities



To support our Net Zero by 2040 ambition, and reduce our absolute GHG emissions across our value chain by 30% by 2030 (vs 2019), we are supporting our sites to reduce their emissions and become PAS 2060 carbon neutral certified. By the end of 2022, six sites – Chaudfontaine, Belgium; Genshagen, Germany; Morpeth, Great Britain; Vilas del Turbón, Spain; Jordbro, Sweden and Putāruru, New Zealand – were certified as carbon neutral.

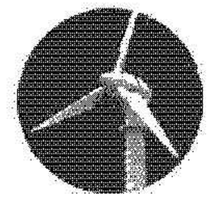
To be part of this programme, production facilities must have significantly reduced their emissions over the previous three years, and have a plan to continue reducing emissions in the future.

For example, our Putāruru site switched to use 100% certified renewable electricity during 2022 and is transitioning from LPG to electric forklifts to reduce its GHG emissions further. In 2022, the carbon intensity of production at the site reduced by ~40% CO_2e per litre compared to 2021.

Find out more at cocacolaep.com/annual-report/case-study/carbon-neutral

Taking action on sustainability continued

Forward on climate continued



GHG emissions | Transportation, distribution and cold drink equipment

Reducing emissions from our car fleet, vans and trucks

GHG emissions from our car fleet and vans account for 24% of our Scope 1 emissions. As a members of the Climate Group's EV100 initiative, we have committed to transition all of our cars and vans in Europe to electric vehicles (EVs), or ultra-low emission vehicles, and where EVs are not viable, by 2030.

To support this shift, we aim to offer workplace charging and make it convenient for employees to charge EVs at home, at work and on the go. In Europe, we increased our use of hybrid and electric cars and vans from 12% in 2021 to 20% in 2022.

In 2022, we introduced 30 electric trucks to make last mile deliveries to customers in Belgium, covering approximately 40% of the country's local delivery routes. The trucks are powered by charging stations using 100% renewable electricity at our production facilities.

Making our distribution networks more efficient

GHG emissions from our third party distribution and transportation account for approximately 7% of our Scope 3 emissions. To reduce emissions, we are improving our warehouse capacity, working with suppliers to change the way we transport our products, and increasing our use of alternative fuels. By adding warehouse capacity at our production facilities, we have reduced road miles and can now deliver directly to customers from our production facilities instead of using external warehouses. In Germany we have been recognised by the Sustainability Heroes Awards for our collaboration with DB Cargo, to facilitate the transportation of our products via rail. This project saved over five million truck kilometres over the past three years.

By working with our suppliers, we have also cut the distance our ingredients and raw materials travel to reach our production facilities. Many of these sites are located next to our can suppliers, eliminating the need to transport empty cans. Some of our production facilities, including Grigny in France, Wakefield in Great Britain and Halle in Germany, manufacture their own PET bottle pre-forms. We have also worked with some sugar beet suppliers to switch deliveries from road to rail.

In several European countries, we run front-hauling and back-hauling programmes together with customers and suppliers. We have back-hauling arrangements with key customers across France, Great Britain, the Netherlands and Sweden. We are also expanding the use of Eco-Combi trucks in the Netherlands and Belgium. Longer than conventional trucks, they can carry up to 38% more per journey, helping to reduce GHG emissions.

We are also exploring alternative fuels and new technologies. Alternative fuels currently make up ~8% of the total kilometres driven by our hauliers in Europe, and we are working to increase this. Our hauliers use hydrotreated vegetable oil (HVO100) in Great Britain, Germany, the Netherlands, Spain and Sweden, compressed natural gas (CNG) and BioCNG in France, liquefied natural gas (LNG) in Belgium and Luxembourg and gas-powered trucks in Germany and Spain.

Reducing our emissions from cold drink equipment (CDE)

GHG emissions from our CDE represent 19% of our total carbon footprint.

In 2022, we reduced the energy use of our CDE equipment per unit across our markets by 3% versus 2021. Our efforts to replace old and obsolete equipment, also led to a reduction of 8% in the size of our CDE fleet and a 10% decrease in total energy consumption versus 2021. This helped drive a reduction of GHG emissions of 13% CO_2e in 2022. All new coolers purchased in 2022 were hydrofluorocarbon (HFC)-free. In total, 51% of our cooler fleet is now HFC-free.

In 2022, we launched our Connected Coolers Technician App which helps reduce technician visits and improves cooler efficiency. This will also help us better track and manage our fleet. When we do dispose of old equipment, we aim to take full responsibility by ensuring recycling and its safe disposal.

In API, cold drink equipment can often be a significant source of emissions, due to the use of fossil fuels in the national electricity grid. In addition to working to improve the energy efficiency of our fleet across API, we strongly support the continued shift to renewable electricity across our markets.

Working with customers

We also support our customers to reduce their own emissions. In 2022, we continued to drive our Net Zero Pubs, Bars and Restaurants initiative in Great Britain in partnership with Pernod Ricard and Net Zero Now. This online platform calculates the carbon footprint of bars and restaurants and provides customers with guidance on reducing emissions. In Spain, we continue to support the ECODES Foundation Community's HOSTELERIA #PorElClima platform, which aims to reduce the carbon footprint of the hotel, café and restaurant sector, by giving guidance and recommendations and by raising awareness of carbon management practices in the industry.

Learn more about our stakeholders engagement on pages 14-17

Case study
Switch from road to rail



In Great Britain, in partnership with Maritime Transport Ltd, and GB Railfreight, we are making the switch from road to rail to distribute our drinks between our production facilities and third party warehouse locations across London and Yorkshire.

When running at full capacity, the change will see up to 18,000 loads of CCEP's products – some 2.5m cans and bottles – delivered by rail per day, reducing carbon emissions by nearly 50% compared to previous road operations.

Distribution km via alternative modes

~24m

In 2022, ~9% of our third party distribution km travelled in Europe were via alternative modes of transportation like rail, ship or eco-combis.

Distribution km using alternative fuels

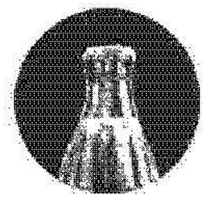
~20m

In 2022, ~8% of our third party distribution km travelled in Europe used fuels like HVO100 or CNG.

Find out more at cocacolaep.com/annual-report/case-study/road-to-rail

Taking action on sustainability continued

Forward on packaging



The context

Waste and pollution, particularly from plastic packaging, is a significant global challenge.

We are taking urgent action to reduce the impact of our packaging. We have a responsibility to help tackle the packaging waste crisis and understand the urgency and complexity around plastic pollution.

By reimagining the way we do business, we are progressively moving away from a linear model and the waste it creates, towards a 100% circular model.

Our strategy

We are committed to reducing our use of packaging where possible and ensuring that the equivalent of all the packaging we do use is collected, reused or recycled so that it does not end up as waste or litter. These actions will also reduce the carbon footprint of our packaging. In 2022, our packaging represented 38% of our total value chain carbon footprint.

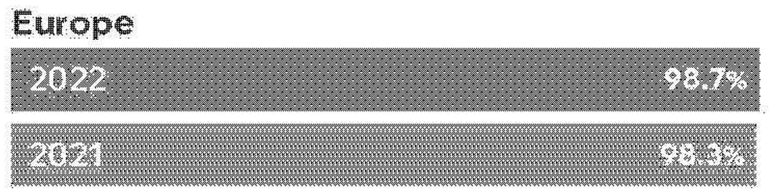
We aim to achieve this through the key pillars of our packaging strategy:

- Removing unnecessary packaging
- Innovating in refillable and packageless solutions
- Achieving 100% collection so that packaging can be recycled and reused
- Increasing the recycled content of our packaging

Our Sustainable Packaging Office (SPO) streamlines all the technical and exploratory sustainable packaging work across our geographies, accelerates our innovation and supports progress towards our goals.

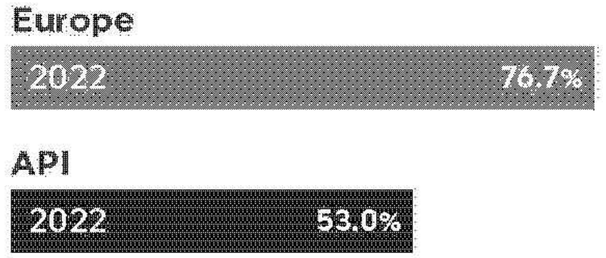
Targets and performance

Design[A]
100% of primary packaging to be recyclable by 2025

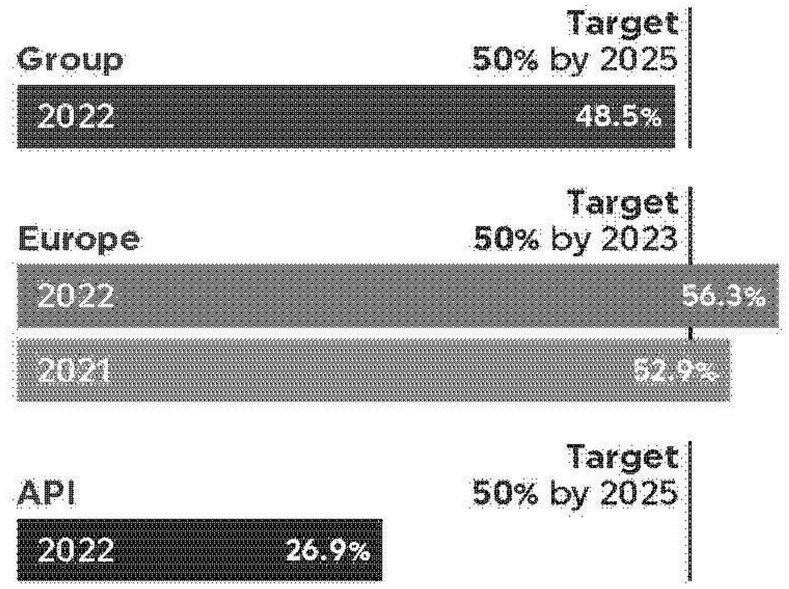


Collection
Collect and recycle a bottle or a can for each one we sell by 2030

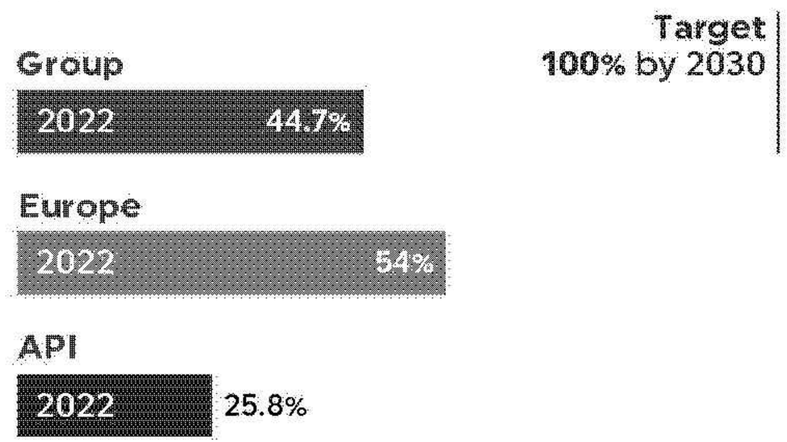




Recycled plastic (rPET)
50%[B] recycled plastic in our PET bottles in Europe by 2023 - other API markets by 2025



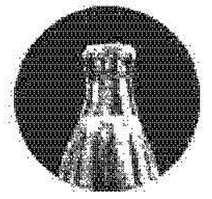
Virgin plastic
Percentage of PET bottles that are 100% rPET[C]



(A) Complete data for Group and API not available for 2022 reporting. We are completing an assessment across API. For details see our '100% recyclable' section on page 43. We aim to report on this indicator for Group and API in 2023.
(B) Percentage based on one way PET bottles sales (tonnes).
(C) Percentage based on one way PET bottles sales (individual consumer units).

Taking action on sustainability continued

Forward on packaging continued



Packaging carbon footprint - removing unnecessary packaging

Packaging life cycle analysis (LCA)

Together with TCCC, we have conducted life cycle analysis to assess the carbon footprint of our packaging. This allows us to make informed decisions and helps us prioritise our efforts to reduce the GHG emissions of our packaging. In 2022, we updated our LCA work to help us compare the carbon footprints of our different packaging formats.

Having a solid understanding of the factors that contribute to the carbon footprint of our products, enables us to focus on key areas such as increasing collection rates and recycled content. LCA allows us to understand the potential carbon impact of changing from one packaging type to another. For example, switching from PET to aluminium cans or one way glass could currently result in higher GHG emissions. We also know that 100% rPET has up to a ~70% lower carbon footprint than virgin PET.

We are working to reduce the carbon intensity across our packaging portfolio and we know that we will need a balanced and optimised packaging portfolio in the future to allow consumers to enjoy our drinks in a more sustainable way.

Read more in Forward on climate on pages 38-41

Future pack mix

In 2022, we held multiple workshops across our key geographies to help forecast our future pack mix up to 2030. This work is critical in developing our overall emissions reduction strategy. It also enables us to explore ways to accelerate our use of reusable packages across our markets. Our pack mix vision provides a sustainable packaging pathway, while delivering volume growth and mix that supports our mid-term financial objectives.

Our work takes into account upcoming legislation, both likely and enacted, which in selected markets or sub-channels will require us to reduce the use of single use plastic or introduce refillable packaging. As a result of this project we have started to build a roadmap that will increase the sustainability of our packaging portfolio. Over time we will continue to refine and optimise our future pack mix vision.

100% recyclable

Recyclability is the first principle of the circular economy. For packaging to retain its value and for the material to be recycled, it must first be collected and be compatible with recycling infrastructure in practice and at scale.

We're aiming for 100% of our primary packaging to be recyclable or reusable by 2025. In 2022, 98.7% of our primary packaging across European markets were recyclable.

We want to ensure our packaging is not just technically recyclable, but that it is easy and feasible for consumers to recycle. While most of our packaging is technically recyclable in API, we are completing an assessment to understand whether the collection systems in place cover the right materials, and reach enough people. We are also reviewing whether existing collection systems sort and aggregate collected materials into defined recycling streams, and whether material is converted into a secondary raw material which has economic value, and can be used again.

We are continuing this assessment, and aim to be able to report a percentage of packaging that is recyclable in API next year.

Hard to recycle packaging

Although we are focusing on making our primary packaging recyclable, we ultimately want to ensure all the materials we use are recyclable, preferably in a closed loop system.

To achieve this, we are taking steps to make our labels, closures and shrink wrap we use for multipacks recyclable as well. Some of the key hard to recycle items we are working on are:

- exploring mechanical recycling for polypropylene (PP) plastics as well as mechanical and enhanced technologies for high density polyethylene (HDPE) plastics. Both plastic types are often used on closures.
- forming partnerships to increase recycling streams for shrink wrap.
- developing mechanical recycling technology to create recycled labels.
- joining a cross industry initiative to move to washable inks on shrink sleeves, making it easier to recycle labels alongside bottles.
- in Australia, we are working with the government through the local industry association to align new labelling with the requirements of container deposit schemes.

Lightweighting

We have a long-standing programme to reduce the weight of our packaging and optimise the materials we use.

In 2008, a 500ml PET bottle weighed 28.9g. Today, thanks to innovative work with our suppliers, this same bottle now weighs just 19.9g, and current projects will reduce this further.

In 2022, we continued to shift our can portfolio from steel to aluminium in Europe. As aluminium is lighter than steel we estimate the volume transitioned to aluminium cans from steel during 2022 resulted in eliminating approximately 11,500 tonnes of CO_2e. In API, we only use aluminium cans.

Case study
Tethered closures and light weighting



In full compliance with the European Single Use Plastics Directive which will take effect in 2024, we are introducing tethered closures to our plastic bottles across our European markets.

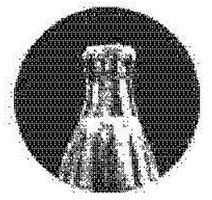
Our PET bottles, including the caps, are 100% recyclable but not all are being recycled. Bottle caps are often discarded and create litter. We have started to introduce tethered closures and a newly designed lighter weight neck on our PET bottles for carbonated soft drinks. The new design means that the cap stays connected to the bottle after opening, so the whole plastic bottle and attached cap can be recycled together. This move will save at least 1g of plastic per bottle – approximately 6,800 tonnes of plastic a year by 2024.

This new solution was developed in collaboration with TCCC, working closely with multiple bottle and closure suppliers.

Find out more at cocacolaep.com/annual-report/case-study/attached-caps

Taking action on sustainability continued

Forward on packaging continued



Innovating in refillable and packageless and increasing recycled content

Refillable or reusable

Reusable packaging will help us become more resource efficient, and reduce our packaging waste, material use and carbon footprint.

By 2030, TCCC aims to have at least 25% of their global volume sold in refillable or returnable glass or plastic bottles, or in refillable containers through traditional fountain or Coca-Cola Freestyle dispensers.

Refillable bottles already have a significant presence in some of our markets. In 2022, ~15% of the packaging units we put on the market in Europe were returnable and refillable. In Europe refillable PET bottles represented ~12% of the PET bottles we put on the market, and ~84% of our glass bottles were refillable. We continue to pilot and develop new refillable solutions in Europe.

Dispensed delivery solutions

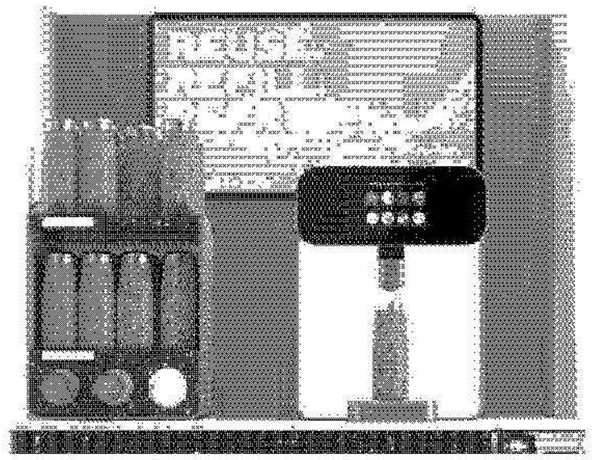
Compared to packaged beverages, dispensed solutions often have a lower carbon footprint. They allow consumers to enjoy our drinks with less packaging and are compatible with reusable cups or bottles.

We continue to innovate our dispensed product offering and work with partners to develop new digitally advanced smart dispensing equipment. We are engaging with customers and consumers to encourage more sustainable choices, such as switching from single use to reusable drinking vessels. Through pilot projects, we are testing consumer behaviour to better understand the potential of dispensers and reusable containers to reduce waste and GHG emissions.

~9%

of our volumes in 2022 were enjoyed via dispensed solutions (Europe ~8%; API ~11%).

Case study
New Compact Freestyle® drinks dispenser pilots in Europe



New Compact Freestyle has been developed with TCCC as an extension of the iconic Coca-Cola Freestyle brand and portfolio. Designed for smaller on the go and at work locations, it allows consumers to personalise their drink choices, and choose to fill their own reusable vessel.

Number of countries with trials

5

Belgium, France, Great Britain, the Netherlands and Spain.

Number of beverage choices

~40

The smart dispenser offers consumers greater choice and personalisation.

Find out more at cocacolaep.com/annual-report/case-study/freestyle

Recycled and renewable materials

Using recycled material in our bottles and cans helps us to keep valuable resources in a circular economy and reduce the carbon footprint.

In Europe, we achieved our 50% rPET target four years early[A] and have set an ambition to use 50% recycled plastic in API by 2025. We also have a target to stop using oil-based virgin plastic in our bottles by 2030. We aim to achieve this by using only rPET or PET from renewable sources such as plantPET. This is a core part of our strategy to demonstrate that single use plastic can be fully circular.

We have made significant investments to develop a strong rPET roadmap and increase our use of rPET. We finished 2022 with:

- Iceland, the Netherlands, Norway and Sweden using 100% rPET for all locally produced bottles;
- Belgium, Luxembourg, Germany, Great Britain, Australia, Fiji and New Zealand using 100% rPET across all single serve bottles; and
- Fuze Tea, Smartwater, Chaudfontaine and Vio are 100% rPET brands.

In 2022, we introduced rPET in our 390ml carbonated soft drinks bottles in Indonesia, using material from our Amandina PET recycling plant, which is a joint venture with Dynapack Asia.

We are working with suppliers to increase the recycled content in all packaging types, including secondary and tertiary packaging.

High quality rPET

The current demand for high quality food grade rPET exceeds its supply. To address this, we are investing in long-term partnerships with recyclers to increase recycling capacity.

Scaling up rPET production requires a significant increase in collection rates. In markets with beverage packaging return schemes in place, we are advocating for fair access to the returned materials, to build bottle to bottle recycling loops and avoid high quality PET being downcycled into low value plastic and lost from the system.

In 2022, we began using materials from our Indonesian PET recycling plant, which is a joint venture with Dynapack Asia. The state of the art facility, run by Amandina Bumi Nusantara, will help towards creating a closed loop plastic packaging supply chain by producing food grade PET pellets made from locally collected post-consumer plastic bottles.

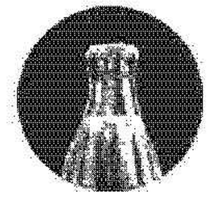
Together with Pact Group, Cleanaway and Asahi Beverages, we have formed a joint venture to build and operate a new PET plastic recycling facility in Victoria, Australia. Construction started in 2022 and is expected to be completed in 2023. This will be the second facility built by the joint venture in Australia, following the opening of the Albury-Wodonga site in New South Wales in March 2022. We estimate that each facility will be capable of processing the equivalent of approximately one billion plastic bottles each year.

To address the challenge of hard to recycle plastics, including plastic found in the oceans or sent to incineration or landfill, new depolymerisation recycling technologies are needed. We are investing to help scale this technology, including our investment in CuRe Technology through CCEP Ventures. This funding will enable CuRe Technology to accelerate its polyester rejuvenation technology to commercial readiness. Once commercialised, we will receive access to output to support our target to stop using oil-based virgin plastic in our bottles by 2030.

(A) In 2019, we announced enhanced packaging targets for Europe, bringing forward the deadline to use at least 50% rPET from 2025 to 2023. Since 2021, our rPET use in Europe has been >50%.

Taking action on sustainability continued

Forward on packaging continued



Driving packaging circularity

Packaging collection and infrastructure
Collecting "a bottle or a can for every one we sell" is at the heart of TCCC's global World Without Waste strategy. This commitment is also a core part of our strategy to demonstrate that single use plastic can be circular.

Addressing collection and infrastructure challenges is often complex. Across our markets we are working with national and local governments and stakeholders to develop and fund collection solutions that provide high quality recycled plastic. While collection solutions will vary market by market, ultimately they all need to support a reduction in packaging waste, and reduce the amount of packaging that is littered or goes to landfill or incineration.

These solutions vary depending on the socioeconomic and legislative context in each market. They can include extended producer responsibility and beverage packaging return schemes which are driven by legislation, and directly funded voluntary action.

In markets where collection infrastructure is well developed, such as Europe, Australia and New Zealand, we support legislation for well designed, industry-run beverage packaging return schemes. In Europe, markets with well-designed deposit return schemes (DRS) achieve the highest collection rates, often exceeding 90% for beverage packaging. In addition, the plastic collected through DRS has very little contamination from other materials, allowing recyclers to produce high quality recycled material that is suitable for bottle to bottle recycling.

Collecting packaging in Europe
DRS are in place in Iceland, Germany, the Netherlands, Norway and Sweden.

In Great Britain we are a founding member of Circularity Scotland, which will help develop and administer a DRS system set to launch in Scotland in August 2023. England and Wales aim to introduce schemes by October 2025. We will continue to support policymakers and industry partners towards achieving our ambition of having a scheme, or schemes that operate seamlessly across Great Britain.

In Portugal, where legislation is already in place, we continue to work closely with policymakers and continue to support the scheme towards implementation.

In our other markets, we continue to work with recycling and collection organisations including Fost Plus in Belgium, CITEO in France, and Ecoembes in Spain.

Collecting packaging in API
In New Zealand, we have been actively engaged with the government to help develop a Container Return Scheme (CRS) and welcome the announcement of a proposal to implement a nationwide, industry led scheme by 2025.

In Australia, we are involved in all Container Deposit Schemes (CDS) in operation. We have actively participated in the design and development of the schemes in Victoria and Tasmania, the two remaining states to implement a CDS, with both scheduled to commence operation in 2023.

In markets where collection infrastructure is less developed, such as Indonesia, the Pacific Islands and Papua New Guinea, we are committed to voluntary action to drive collection. We aim to directly fund and incentivise collection solutions.

Packaging collection rate

71.8%

In 2022, 71.8% of the packaging we put on the market was collected for recycling.

Industry collaboration
Addressing the challenge of plastic waste requires industry wide collaboration, and we support initiatives that make this possible. Platforms including the Ellen MacArthur Foundation's New Plastics Economy Initiative, the UK Plastics Pact, the Netherlands Plastics Pact and the French National Pact on Plastic Packaging send a strong signal that change is possible.

In Australia, we are members of the Australian Packaging Covenant Organisation, an NGO working with governments, businesses and other organisations across the packaging value chain in Australia to lead the development of a circular economy for packaging. Alongside TCCC, we sit on the Steering Committee of Indonesia's National Plastics Action Partnership, and we are working on a multi stakeholder action plan to achieve a 70% reduction in the country's marine plastic debris by 2025.

The power of our brands and our people
We continue to use the power of our brands to encourage consumers to recycle our packaging via on pack messages.

In Norway, we ran a nationwide campaign, in partnership with the Norwegian Football Federation in 2022, highlighting the importance of collecting bottles for recycling. The campaign resulted in the collection of €84,000 worth of empty bottles.

In Sweden, we started a new joint initiative with NGO Keep Sweden Tidy and customer Reitan Convenience, to raise awareness about recycling and reuse, and encourage more people to recycle on the go.

We also support a wide range of anti-litter and clean up initiatives through local community partnerships and employee volunteering. As well as removing and preventing litter, these activities influence consumer behaviour and raise awareness about littering and recycling.

See more details on our volunteering programmes for our people on page 57



Taking action on sustainability continued

Forward on water

The context

Water is critical to our business. It is the main ingredient in our products, essential to our manufacturing processes and critical to ensuring a sustainable supply of the agricultural ingredients we depend upon.

Climate change is exacerbating water stress and water scarcity. In many parts of the world we are witnessing water shortages, droughts and floods in regions where we produce our products or source our ingredients. To address these challenges, we have adopted a value chain approach to water stewardship, focusing on water efficiency within our own operations, working to protect the sustainability of the water sources that our business, our communities and our suppliers rely upon.

Our strategy

Our approach to water stewardship is aligned with TCCC's 2030 global water strategy. This includes a context-based approach to water security, which allows us to prioritise the areas of our value chain – both operations and sourcing regions – most at risk from water stress.

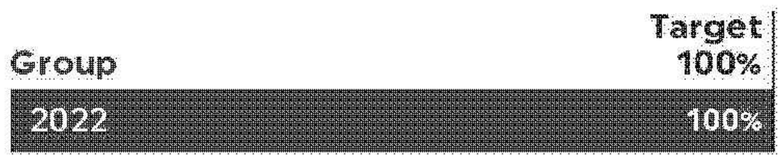
We have developed context-based water reduction targets across all of our production facilities, addressing the needs of local river basins. We measure performance through our water use ratio – the average amount of water we need to produce a litre of product.

At our leadership locations(D), we have a target to achieve 100% regenerative water use by 2030, meaning we will replenish all of the water that we use at these production facilities through the beneficial use of wastewater and replenish projects in the minor river basin of the sites.

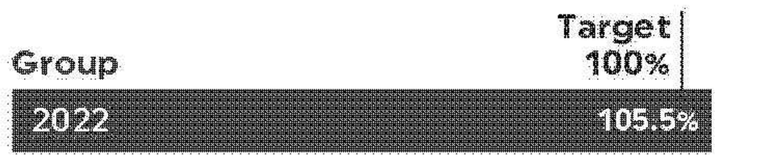
We will continue to replenish 100% of the water that we use in our beverages, supporting replenishment projects in our key operating regions, communities and sourcing regions.

Targets and performance(A)

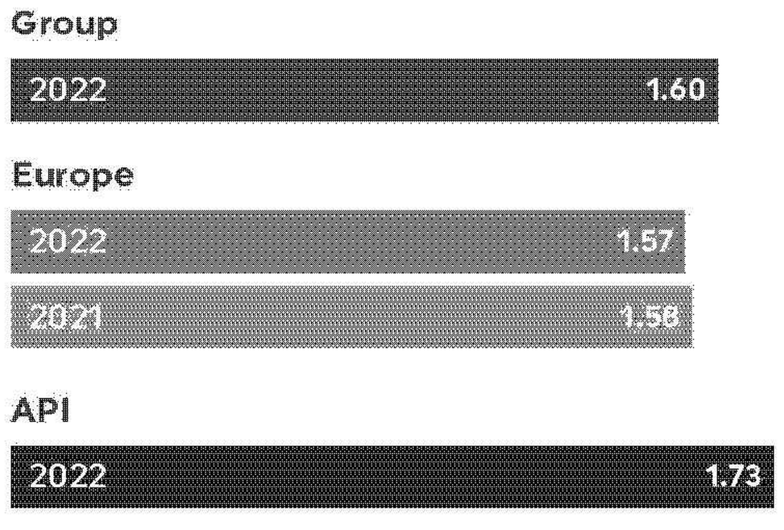
Water stewardship
Set context based water targets at all production facilities(B)



Water replenishment
Replenish 100% of the water we use in our beverages



Water efficiency(C)
Manufacturing water use ratio (litres of water withdrawal per litre of finished product produced)



Regenerative water use(D)
100% regenerative water use at all leadership locations(E) by 2030

(A) The acquisition of API completed on 10 May 2021. The API sustainability metrics are presented on a full year basis for 2021 to allow for better period over period comparability.
(B) Non-alcoholic ready to drink (NARTD) only.
(C) No Group or regional water use ratio target currently set. Our water stewardship measure tracks if all NARTD production facilities have water use ratio targets.
(D) New target. Complete data not available for 2022 reporting. We aim to report on this indicator in 2023.
(E) NARTD production facilities which rely on vulnerable water sources or have high water dependency. We have nine leadership locations in Europe and four in API.

Taking action on sustainability continued

Forward on water continued

Water stewardship

Assessing water risk

Our water risk mapping is based upon a series of risk assessments, completed together with TCCC.

All our production facilities are assessed through a global Enterprise Water Risk Assessment (EWRA) using the World Resources Institute's (WRI) Aqueduct 3.0 tool. This is supported by local Facility Water Vulnerability Assessments (FAWVAs), which assess a range of physical, regulatory and social risks at a production site level. As of the end of 2022, all of CCEP's non-alcoholic drinks production facilities have completed a FAWVA.

The FAWVAs are supported by source vulnerability assessments (SVAs), aligned with the Alliance for Water Stewardship Standard, which we aim to complete every five years. SVAs assess potential risks in water quality and future availability to our business, the local community and the wider ecosystem.

The FAWVAs and SVAs feed into our facility water management plans (WMPs). WMPs are used to manage targets, enhance climate resilience, and facilitate data sharing and reporting. In 2022, all our non-alcoholic production facilities had SVAs and WMPs in place.

Setting context based targets

Through the EWRA, we have identified that 21 of our 42 NARTD production facilities in Europe, and three out of 24 NARTD production facilities in API are located in areas of high baseline water stress.

In 2022, the total production volumes from our 24 sites located in areas of baseline water stress was 8.1 million m^3 (7.4 million m^3 in Europe, and 0.7 million m^3 in API). This represented 49% of our total production volumes, (56% of our production volumes in Europe and 22% in API).

The outputs of the EWRA and FAWVAs are used to categorise our sites, allowing us to set context based targets on a site level. The categories are:

Leadership locations: sites which rely on vulnerable water sources or have a high level of water dependency. These sites have the highest water use reduction targets, and have a target to achieve 100% regenerative water use by 2030. Nine of our production facilities in Europe, and four in API have been identified as leadership locations, representing 9.8 million m^3 (37%) of our total 2022 water withdrawals.

Advanced efficiency: these sites operate in a water stressed context, and will be focused on achieving advanced water efficiency, and best in class water reduction targets.

Contributing locations: these sites operate in the lowest water risk areas, and have water use ratio targets which meet industry benchmark standards.

Improving water efficiency

We monitor our water use, setting annual targets and identifying opportunities to reduce our water consumption, and improve the water efficiency of our manufacturing and cleaning processes.

In 2022, we invested approximately €1.6 million in water efficiency technology and processes in our sites. We estimate that that this could result in savings of approximately 125,000 m^3 per year and help us avoid annual water and waste water treatment costs of approximately €125,000 per year.

For example, in 2022, three of our Indonesian production facilities (Medan, Semarang and Bekasi) completed implementation of reverse osmosis technology which enables us to reuse treated wastewater in production processes such as cleaning and in our boilers.

Case study
Regenerative water use in Antwerp, Belgium



Our production facility in Antwerp, one of our 13 leadership locations, has begun to develop on-site programmes to support its regenerative water use target.

The site used to discharge rainwater and wastewater into a combined municipal sewer. Working together with the local municipality, the two water waste streams have been separated. This has allowed the site to direct the rainwater into a wetland lake and infiltration canal. This allows water to slowly infiltrate into the ground, improving local biodiversity. In addition, the site is working to reuse rainwater for irrigation at a neighbouring petting zoo.

The project is estimated to have replenished 9,200 m^3 of water in 2022.

Find out more at cocacolaep.com/sustainability/this-is-forward/forward-on-water

Returning wastewater to the environment

We aim to safely return 100% of our wastewater to nature. Before wastewater is discharged from our production facilities, we apply high standards of treatment, meeting all local regulations and The Coca-Cola Operating Requirements (KORE). In 2022, we discharged 9.7 million m^3 of wastewater.

Most of our production facilities pre-treat wastewater on site and send it to municipal wastewater treatment plants, but 11 of 42 NARTD sites in Europe carry out full treatment on site. 10 of our 24 NARTD production facilities in API have on-site wastewater treatment plants. For example, our production facilities in Reykjavik, Iceland, and Barcelona, Spain, use the methane gas generated during treatment to heat the treatment process itself. In 2022, we invested approximately €3.7 million in wastewater treatment technology.

Regenerative water use

We have a target to achieve 100% regenerative water use at our leadership locations, in line with TCCC's 2030 global water strategy.

Sites with regenerative water use targets must ensure that by 2030 their total water withdrawal volume is replenished - either through a beneficial use for their wastewater, or through investment in replenishment projects in the minor river basin of the production facility.

Across our 13 leadership locations, we withdrew 9.8 million m^3 of water (37% of total), and discharged 3.4 million m^3 of wastewater (35% of total) in 2022. We will continue to develop our strategy and replenishment programmes in the minor river basin of these sites.

In 2022, we began our work to establish metrics to measure our regenerative water use across our 13 leadership locations. We aim to report on progress against this target next year.

Taking action on sustainability continued

Forward on water continued

Water efficiency, replenishment and biodiversity

Water stewardship recognition

64 out of 66 of our NARTD production facilities are certified[A] under the ISO 14001 environment management standard. This ensures we have appropriate environmental management and stewardship resources in place for all our daily operations.

With a gold European Water Stewardship certificate since 2013, our mineral water bottling plant in Chaudfontaine, Belgium, obtained a platinum certificate for sustainable water management from the worldwide Alliance for Water Stewardship (AWS) in 2021, as did our production facility in Dongen – the first site to receive this standard in the Netherlands. These AWS certificates are valid for three years.

In 2022, CCEP was included in the CDP Water A list for the seventh year in a row.

ALLIANCE FOR WATER STEWARDSHIP

CDP DISCLOSURE INSIGHT ACTION A LIST 2022 CLIMATE WATER

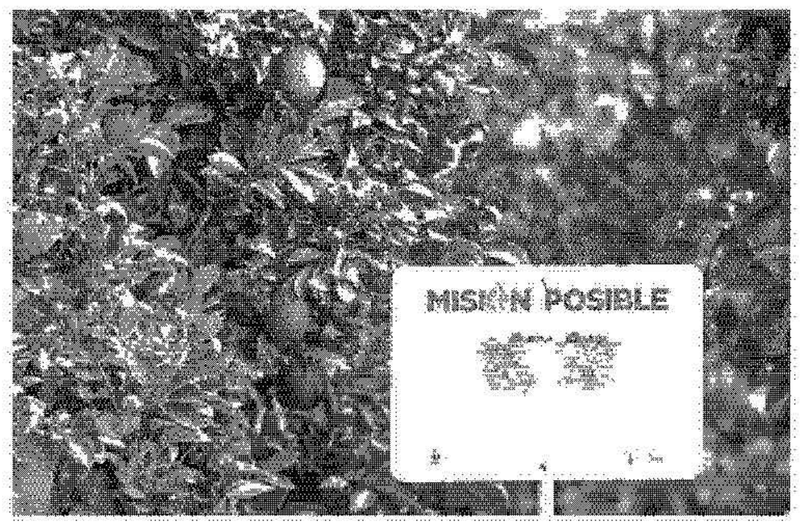
(A) All outstanding production facilities are located in Papua New Guinea where we are actively working towards certification.

Water replenishment programmes

We aim to replenish 100% of the water we use in our beverages, in partnership with local NGOs and community groups. Together with TCCC and The Coca-Cola Foundation (TCCF), we have supported multiple replenishment programmes across our territories in recent years. These projects address water risks near our operations, within our communities and in our priority watersheds.

In 2022, we supported 21 water replenishment projects across Europe and 6 in API. Through these programmes, we replenished 19.7 million m^3 of water across our territories – including 15.2 million m^3 in Europe and 4.6 million m^3 in API. This represents 105.5% of our total sales volume (101.6% in Europe; 120.8% in API).

Read more about our water replenishment projects on cocacolaep.com/sustainability/this-is-forward/forward-on-water



Preserving natural ecosystems

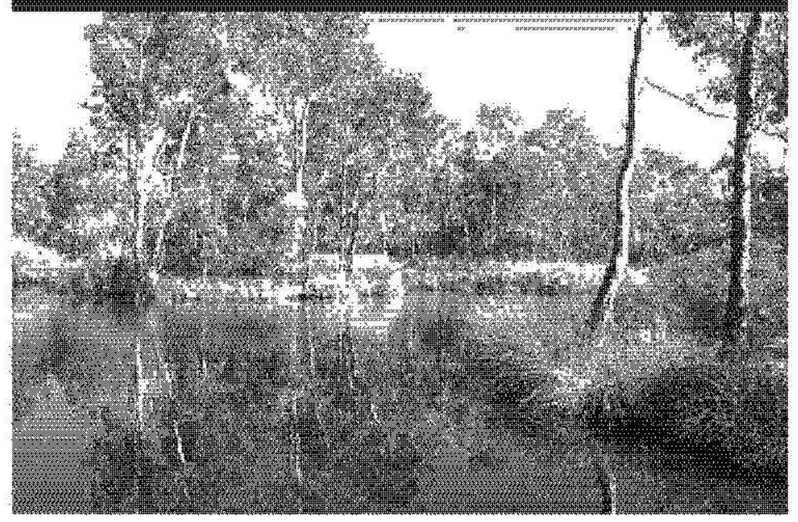
We aim to leave nature in a better state than we find it by building adaptation and resilience into our main operating and sourcing regions.

To protect and reinstate watersheds that foster biodiversity, we are improving our water use efficiency and contributing towards secure access to water in priority areas, through water replenishment projects.

For example, in Spain, we continue to support the Misión Posible: Desafío Guadalquivir project. The project, run in partnership with WWF and TCCF, aims to improve the irrigation of agricultural crops in the area and the biodiversity of the Guadalquivir river by restoring a nearby marsh. Thanks to the project, approximately 1 million m^3 of water were returned to nature in 2022.

In 2023, we will use the Science Based Targets Network framework to conduct a biodiversity risk assessment of our entire value chain. This work will inform and support us in defining our future biodiversity strategy and no-deforestation commitments, helping tackle the significant collapse of biodiversity and nature that is being experienced globally.

Case study
Farm dam restoration in Australia



In 2022, The Coca-Cola Australia Foundation (CCAF) and Landcare Australia announced a new partnership to transform farm dams and boost farming water security.

Landcare Australia will work with local communities to install infrastructure, including fencing and stock access points to revegetate degraded dams with native flora. Through the project, three South Australian sites have been selected to provide an initial showcase of how degraded farm dams can be transformed into thriving ecological communities while also improving on-farm productivity. The project aims to improve water quality, drought resilience and create a biodiverse habitat that can support a variety of animals, including platypuses, water birds and frogs.

Find out more at cocacolaep.com/annual-report/case-study/farm-dam

Taking action on sustainability continued

Forward on supply chain

The context

As a business, we rely upon a sustainable supply of ingredients like sugar, coffee, tea and juices as well as the raw materials we use for our packaging like glass, aluminium, plastic, pulp and paper.

However, global supply chains are under increasing pressure as a result of population growth, increased demand for food and the impacts of climate change.

We recognise the importance of having ethical and sustainable procurement practices that support our business and sustainability goals.

Our strategy

Sustainable practices have a critical role to play in tackling climate change and in driving long-term resilience within our supply chains.

We are committed to ensuring that 100% of our suppliers abide by our Responsible Sourcing Policy (RSP) – which includes TCCC's Supplier Guiding Principles (SGPs), Principles of Sustainable Agriculture (PSAs) and commitments and expectations around carbon management. We track our progress by measuring supplier compliance with our RSP, through our SGPs and PSAs. The RSP applies to all suppliers, and our SGPs are embedded within our contracting and supplier management processes.

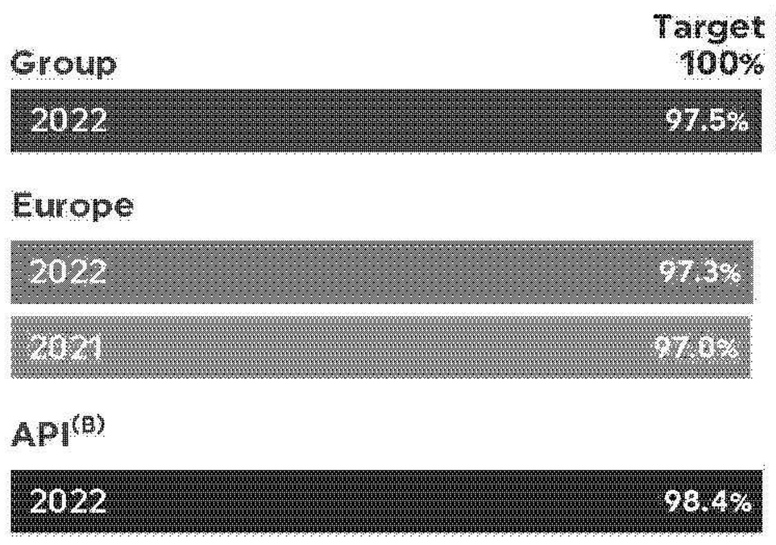
We have a target for 100% of our main agricultural ingredients and raw materials to be sourced sustainably, in compliance with our Principles for Sustainable Agriculture (PSA). Our PSA apply to all of our suppliers of agricultural ingredients and raw materials, including sugar beet, sugar cane, coffee, tea and fruit juices, and bio-based materials for our packaging such as paper.

Our suppliers represent over 90% of our Scope 3 emissions. This is why we have asked our suppliers to set their own science-based carbon reduction targets and to shift to 100% renewable electricity.

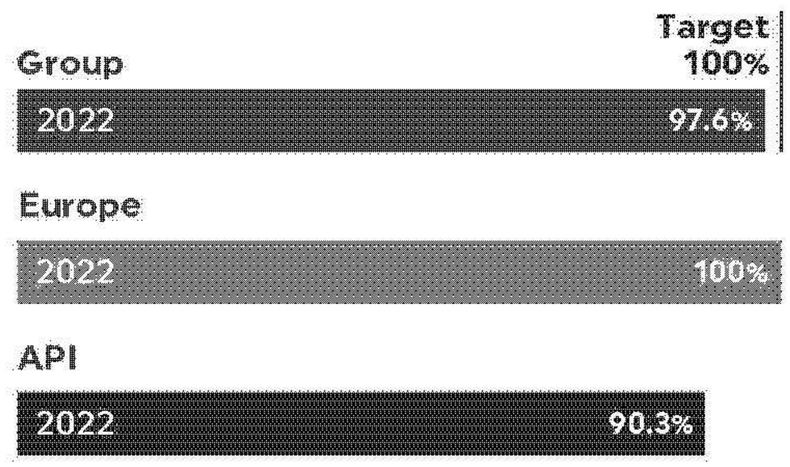
We believe that the quality and integrity of our products depend on sustainable global supply chains with successful and thriving farming communities, where human rights are respected and protected. We remain committed to the United Nations' Guiding Principles on Business and Human Rights, the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the United Nations' Global Compact.

Targets and performance[A]

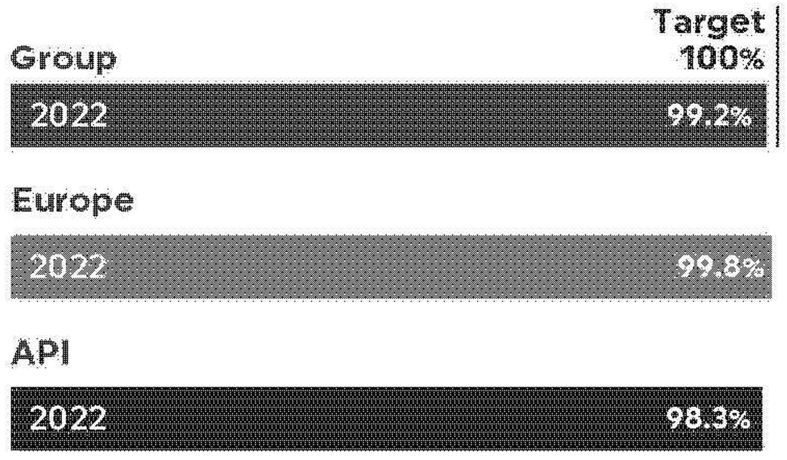
Spend covered by guiding principles
100% of suppliers to be covered by our SGPs



Sustainable sourcing (sugar)
100% of sugar sourced through suppliers in compliance with our PSA



Sustainable sourcing (pulp and paper)
100% of pulp and paper sourced through suppliers in compliance with our PSA



(A) The acquisition of API completed on 10 May 2021. The API sustainability metrics are presented on a full year basis for 2021 to allow for better period over period comparability.
(B) API previously tracked performance against Responsible Sourcing Guidelines (RSGs), with 90.3% compliance in 2021.

Taking action on sustainability continued

Forward on supply chain continued

Working with suppliers

Our suppliers
We source products from over 17,000 suppliers, and spent approximately €7.4 billion with them in 2022. On average in 2022, 85% of supplier spend was with suppliers based in our countries of operation in Europe and API.

We work with our suppliers to procure high quality raw materials and services, with sustainability in mind. We take an integrated approach to sustainability – making improvements and launching initiatives that support responsible sourcing, climate resilience, water stewardship and biodiversity. We are engaging with suppliers to identify common challenges and work together to decarbonise our value chain. As we grow, reducing emissions and the consumption of raw materials are among our biggest challenges. The table on the right illustrates some of the ways that we work with different groups of suppliers on these key areas.

Supplier identification	Definition	Requirements for all suppliers	Specific requirements
Strategic suppliers	• Directly managed and influenced by our procurement teams • Represent about 80% of our addressable spend • Engagement on sustainability extends to approximately 400 suppliers	• In 2022, we launched our Responsible Sourcing Policy (RSP), which sets out mandatory guidelines for all our suppliers(A) • SGPs and PSA are incorporated into this policy • RSP is incorporated into all new contracts, and are part of our standard conditions of purchase	• Undergo an EcoVadis(B) assessment and have a minimum score of above 50 overall and above 35 on each criteria • Sustainability fully integrated in procurement processes and strategies
Carbon strategic suppliers	• Subset of strategic suppliers • Approximately 200 suppliers • Represent about 80% of our Scope 3 GHG emissions		In addition to strategic supplier requirements, carbon strategic suppliers are encouraged to: • set science-based targets by 2023 in Europe and by 2025 in API • shift to 100% renewable electricity by 2030 (Europe by 2025)

(A) Responsible Sourcing Policy covers the mandatory guidelines that suppliers directly or indirectly (such as sub-contractors) must comply with to be able to do business with CCEP.
(B) Provides a leading solution for monitoring sustainability in global supply chains.

Our Supplier Guiding Principles (SGPs) and Principles for Sustainable Agriculture (PSA)
The SGPs set out the minimum requirements we expect of all our suppliers in areas such as workplace policies and practices, health and safety, environmental protection, business integrity and human rights.

The PSA apply to agricultural ingredients and raw material suppliers and cover human and workplace rights, environmental protection and sustainable farm management. They also include specific forest and biodiversity conservation practices, such as no conversion of forests for new agricultural production, protection of endangered species, and, where possible, restoration of ecosystem services that our suppliers of agricultural ingredients and bio-based packaging materials are expected to implement.

Priority Ingredients
We rely on agricultural ingredients to make and package our beverages. Ensuring these ingredients are sustainably sourced is a key priority for us. As climate change leads to more extreme weather and increased water stress, more sustainable agricultural practices will play a vital role in promoting resilience across our supply chain and in the communities that produce our agricultural ingredients.

Together with TCCC, we have identified 13 priority agriculture-based ingredients and bio-based packaging materials(C). We manage the purchase of these key ingredients together with TCCC and other Coca-Cola bottlers, and therefore manage the issues that we face in our supply chain as a joint Coca-Cola system. As CCEP, we directly purchase sugar beet and sugar cane, pulp and paper, and track compliance with our PSA for these commodities.

(C) Sugar cane, sugar beet, high-fructose corn syrup, stevia, orange, lemon, apple, grape, mango, coffee, tea, soy, pulp and paper.

Supplier risk
We assess suppliers across a multitude of criteria such as financial value, efficiency, innovation and risk. For our strategic suppliers, we carry out detailed evaluations including financial assessments and annual supply risk analysis. We hold regular meetings with suppliers to discuss key issues such as performance, innovation and sustainability.

We use data gathered through EcoVadis IQ to proactively manage sustainability risks. In 2022, we began to use Resilinc software, an artificial intelligence tool which helps us to proactively identify potential risks across our supply chain.

Protecting human rights
Protecting human rights is fundamental to how we run our business. We are committed to ensuring everyone who works at CCEP and in our supply chain is treated with dignity and respect.

We recognise that all our employees and supply partners have a role in identifying and mitigating human rights risks across our business. Employees and managers are empowered to recognise and address human rights risks and issues as they conduct their work and this extends to the arrangements we agree with workers and trade unions, membership of which we always foster.

Our human rights training was refreshed in 2022 to focus on modern slavery for procurement managers. Following the harmonisation of our Code of Conduct, Speak Up policy and Whistleblowing policy, we rolled out an internal communication campaign and compliance training packages across our business.

Taking action on sustainability continued

Forward on supply chain continued

Audit and compliance

Supplier standards compliance

We expect our suppliers to develop and implement appropriate internal business processes to ensure that they fully comply with our SGPs. Together with TCCC, we routinely verify and assess suppliers' compliance by using independent third parties. As part of the Coca-Cola system, we rely on independent audits commissioned by TCCC to monitor supplier compliance with our SGPs. This includes juices and concentrates purchased from TCCC.

The audits include checks to ensure suppliers are not using child labour, forced labour or any form of modern slavery. To date, the audits have covered over 95% of our suppliers of ingredients and primary packaging. If a supplier fails to uphold any aspect of the SGPs, the supplier is expected to implement corrective actions. TCCC reserves the right to conduct unannounced audits at their discretion and to terminate an agreement with any supplier that cannot demonstrate that it is upholding the SGPs requirements.

PSA compliance is verified through adherence to a limited set of third party sustainable agriculture standards approved by TCCC.

Raw material	Procurement method	Quantity and brands	PSA aligned third party standards	Compliance with standards
Beet and cane sugar	Directly by CCEP	• ~750k tonnes of beet sugar • ~350k tonnes of cane sugar	• Bonsucro • FSA Gold and silver • Redcert 2	• Europe: 100% third party standard and PSA-compliant • API: 90.3% third party standard and PSA-compliant
Pulp and paper	Directly by CCEP	• Europe: ~85k tonnes of board for secondary and tertiary packaging, and marketing materials • API: ~50k tonnes of board for secondary and tertiary packaging[A]	• Forest Stewardship Council (FSC) • Certification endorsed by the Programme for the Endorsement of Forest Certification (PEFC)	• Europe: 99.8% FSC or PEFC-certified and PSA-compliant • API: 98.3% FSC or PEFC-certified and PSA-compliant
Juice[B]	The Coca-Cola Company	• Orange and lemon juice from concentrate, not from concentrate and puree are a key ingredients in a number of our products (e.g. Minute Maid)	• Sustainable Agriculture Initiative Platform (SAI)	• Europe: 92% PSA compliance for orange and 100% for lemon • API: 100% PSA compliance for orange and lemon
Coffee and tea	Directly by CCEP	• Grinders brand	• Rainforest Alliance • Fairtrade	• 64% compliance for this CCEP owned brand in API
	The Coca-Cola Company	• Costa, Chaqwa and Fuze Tea brands	• Rainforest Alliance • Fairtrade	• Europe: 98% PSA compliance for coffee and 100% for tea • 100% by 2030 in API

(A) We aim to expand reporting on this category to include additional areas such as printed and point of sale material in the future.
(B) Coca-Cola trademark beverages with juice from concentrate, not from concentrate and puree as key ingredients.

Taking action on sustainability continued

Forward on supply chain continued

Supplier engagement on GHG emissions

Reaching Net Zero with our suppliers

Our suppliers are responsible for over 90% of our value chain GHG emissions. We will not meet our own GHG emission reduction targets unless we work in partnership with them.

We are engaging with our carbon strategic suppliers to encourage them to:

- set science based targets by 2023 (Europe) and 2025 (API)
- use 100% renewable electricity by 2025 (Europe) and 2030 (API)

We are also working together with TCCC to collect and validate emission factors directly from our suppliers, initially focusing on suppliers of our packaging and ingredients. This work will be critical in helping us to reflect the impact of our suppliers' actions more accurately.

Read about how we work with suppliers to reduce our emissions on page 39

Encouraging suppliers to reduce emissions

While 17% of our suppliers have already set science based GHG targets, a further 42% have committed to set science based targets, including those who may have already submitted targets to the SBTi.

Many of our suppliers will need support in order to be able to measure their emissions, and set GHG emissions reduction targets. To encourage them, we are working together with TCCC to engage suppliers in the Supplier Leadership on Climate Transition programme, a cross-industry collaboration, that aims to provide suppliers with resources, tools, and knowledge to support their own climate journeys. Participating suppliers are invited to attend a series of instructional seminars on developing a GHG emissions footprint, setting a science based target, adopting GHG emissions abatement measures and disclosing progress. Participants get direct mentoring, and instructions on how to build internal capacity and earn recognition for their accomplishments. In 2022, approximately 100 Coca-Cola system suppliers were engaged with the programme, and we will encourage and support more CCEP suppliers to join in 2023.

Supplier LoCT Leadership on Climate Transition

Case study
Sustainability-linked supply chain finance programme with Rabobank



We are encouraging our suppliers to take action, to make significant carbon reductions in their businesses.

In 2022, we implemented a new sustainability-linked supply chain finance programme, structured and operated by Rabobank.

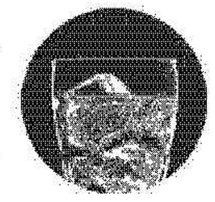
The programme, one of the first of its kind in the global beverage industry, incentivises and rewards suppliers for improving their ESG performance.

It will provide competitive financing that is linked to a number of sustainability-driven KPIs, via an assessment from Ecovadis. Suppliers are able to access incremental discounts against the initial funding rate. This enables them to support our own plans to reduce GHG emissions across our value chain by 30% by 2030 (versus 2019) and reach Net Zero by 2040.

Find out more at cocacolaep.com/annual-report/case-study/supply-chain-finance

Taking action on sustainability continued

Forward on drinks



The context

We aim to meet consumer needs through our diversified portfolio, working closely alongside TCCC and our other brand partners to provide consumers a greater choice of drinks and packaging sizes. We want to make it easier for people to manage their sugar consumption.

We support recommendations made by several leading health authorities, including the World Health Organisation (WHO), that people should limit their intake of added sugar to 10% of their total calorie consumption.

Our strategy

Consumers' habits and preferences continue to evolve. We know that people want a greater variety of drinks, including low and no calorie options, made from natural and sustainably sourced ingredients.

Working with TCCC and other franchisors, we are evolving our portfolio across all our territories, introducing new low and no calorie drinks and reformulating our recipes. Our portfolio also includes drinks produced with organic, Fairtrade and Rainforest certified ingredients.

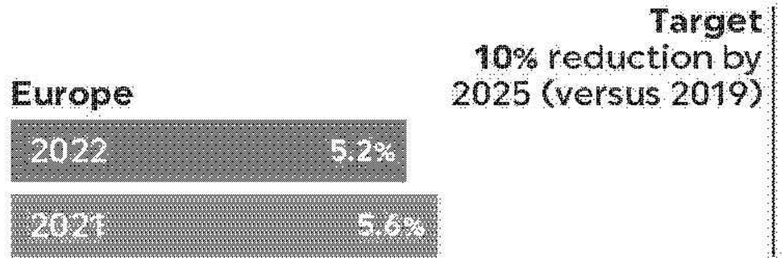
Our focus is on empowering consumers to make more informed choices by providing product and nutritional information that is easy to understand, and by offering smaller and more convenient packaging sizes.

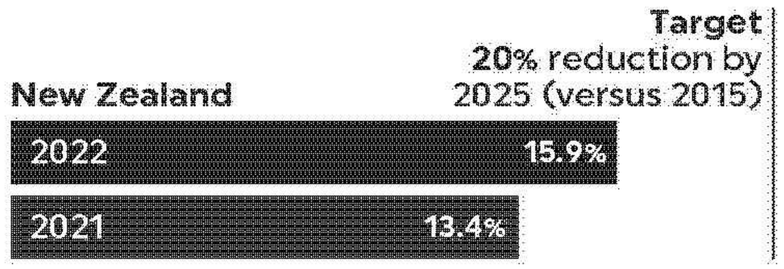
We ensure the responsible marketing and advertising of our products. This includes shifting our marketing spend to increase awareness of our low and no sugar options, while continuing to ensure we do not directly market any of our products to children under the age of 13.

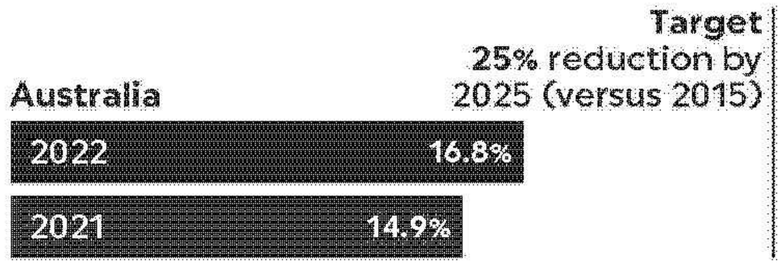
In addition, we are working to deliver the highest product quality and safety to our consumers by incorporating The Coca-Cola Operating Requirements (KORE), which define operational controls and prioritise sustainable sourcing of our ingredients.

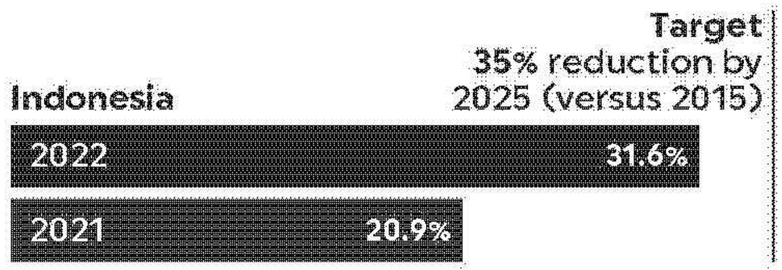
Targets and performance[A]

Reduction in average sugar per litre[B]

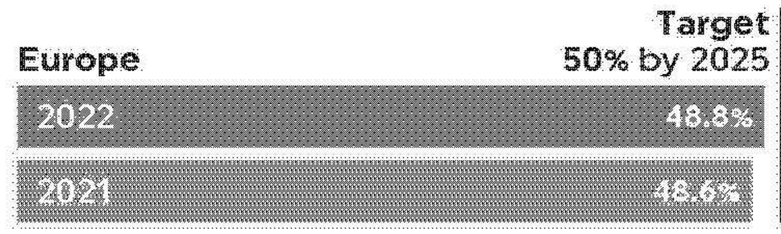








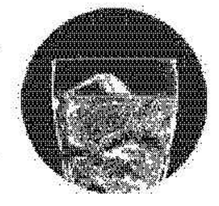
Products sold that are low or no calorie[C]
Over 50% of sales to come from low or no calorie drinks by 2030 (Europe by 2025)



(A) The Acquisition of API completed on 10 May 2021. The API sustainability metrics are presented on a full year basis for 2021 to allow for better period over period comparability.
(B) For Europe this includes sparkling soft drinks, non-carbonated soft drinks and flavoured water only. Does not include plain water or juice. For API, this includes all NARTD, including dairy. Does not include coffee, alcohol, beer or freestyle.
(C) Complete data for Group and API not available for 2022 reporting. We aim to report on this indicator for Group and API in 2023.

Taking action on sustainability continued

Forward on drinks continued



Great taste, less sugar and offering consumers more choice

Reducing sugar in our soft drinks

We are a long-standing member of the Union of European Soft Drinks Associations (UNESDA) and fully support its commitment to reduce average added sugars in soft drinks by another 10% by 2025 (from 2019) across Europe. This would represent an overall reduction of 33% in average added sugars in the past two decades.

In our key API markets we also have the following 2025 sugar reduction targets (versus 2015) to reduce the average sugar per litre in our NARTD portfolio:

- by 20% in New Zealand
- by 25% in Australia
- by 35% in Indonesia

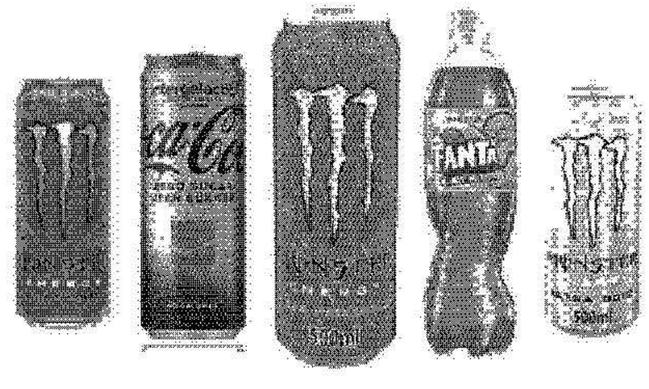
Focus on low or no calorie drinks

We are aiming for over 50% of sales to come from low or no calorie drinks by 2030 (Europe by 2025).

Over the past year, we have continued to encourage people to reduce their daily sugar intake, raising awareness of our low calorie drinks via our point of sale communications and by promoting low and no sugar options.

In API, we are introducing and promoting more low and no sugar drinks with a focus on zero sugar sparkling drinks. This includes the promotion of Coca-Cola No Sugar in remote Indigenous communities in Australia in collaboration with our retail partners and their communities.

Case study
Enhancing our no sugar ranges



Working with TCCC and other franchisors, we're continuing to reduce sugar across our portfolio, by reformulating our recipes and by introducing more low and no calorie drinks.

In 2022, we introduced a new Fanta Zero flavour in Sweden and reformulated Sprite in Indonesia to reduce sugar content. We also launched limited edition Coca-Cola Creations, all without sugar.

In New Zealand and Papua New Guinea, we launched Coca-Cola Zero Sugar with a new taste and look campaign. One in two Coca-Colas purchased in New Zealand now contain no sugar.(A) Following its success in Europe, we also launched no calorie What The Fanta in Australia.

We also offer the Monster Ultra range, which includes seven no-sugar energy drinks, contributing to our commitment to offer more drinks with reduced or no sugar.

Find out more at cocacolaep.com/sustainability/this-is-forward/forward-on-drinks

(A) Based on Nielsen Total Measured Market RMS Scan October 2021. Supermarkets, petrol stations, some convenience stores and licensed retail outlets.

Consumer choice

Category

Our portfolio includes carbonated and still soft drinks, energy drinks, RTD teas, flavoured dairy, organic soft drinks, beverages with nutritious benefits, coffee and alcohol. We offer consumers a wide range of drinks for every taste and occasion, including drinks with or without sugar.

See Our portfolio section for further details on pages 2-3

Organic, Fairtrade and Rainforest Alliance certified

We have a range of organic drinks that include ingredients that are sustainably sourced. In Europe, we have 21 organic products in our drinks portfolio, making up 0.1% of our total sales volume. In New Zealand, our Most brand includes six products which contain certified organic fruit and do not feature any preservatives, artificial flavours or colours.

1.9% of our total sales include Fairtrade certified or Rainforest Alliance certified ingredients, including the following brands:

fuzetea® COSTA COFFEE CHAQWA

Smaller packaging sizes

We are working to provide a greater range of smaller, more convenient packs, which can make it easier for consumers to control their sugar intake. In 2022, approximately 5% of our drinks were enjoyed in packages of 250ml or less(B) (Europe ~4%; API ~7%).

Clear, straightforward information

We are committed to providing clear and transparent nutritional information, including detailed sugar and calorie content. We align with all global and local legislation and support colour based interpretive product labelling in Europe.

We pioneered Guideline Daily Amount (GDA) labelling on our drinks in Europe in 2009, and now we also include front of pack, colour coded labelling in Great Britain, Belgium, France, Luxembourg and the Netherlands on our sparkling soft drinks.

In 2021, we adopted the voluntary front of pack Health Star Rating on all our non-alcoholic drinks in Australia and adopted the same approach in New Zealand in 2022. The labelling system rates the nutritional profile of our drinks and helps consumers make healthier choices.

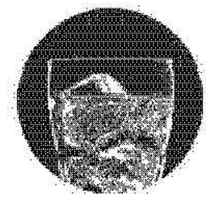
In all our territories, where front of pack labelling is not possible (for example, on returnable glass bottles), nutritional information is available on our websites.

Our larger bottles sold in Europe, Australia and New Zealand feature a servings per packaging icon, indicating the number of 250ml portions in a multi serve packaging.

(B) Based on unit case sales.

Taking action on sustainability continued

Forward on drinks continued



Responsible marketing - safety and quality of ingredients

Responsible marketing

Responsible sales and marketing principles

We ensure responsible sales and marketing practices by providing clear guidelines for the marketing of our products, covering all brands and products manufactured or sold by CCEP.

These recently updated principles cover all media formats, point of sale materials and all of our packaging. They provide guidance to ensure that we are honest and transparent in everything we do, that we do not mislead consumers and that we take every opportunity to help them make informed choices about what they drink.

Our responsible sales and marketing principles encourage responsible drinking and comply with all relevant laws, regulations and industry codes on the marketing and sale of alcohol. Where we distribute drinks that contain alcohol, we respect the local code of practice for responsible marketing and promotion, including messaging on responsible drinking and marketing products in channels, such as hospitality, where consumers are adults over local legal purchase age. Our non-alcoholic drinks are often consumed on social occasions where alcohol is involved and can be mixed with alcoholic beverages.

In API, we adhere to local industry voluntary commitments such as the Alcohol Beverages Advertising Code and DrinkWise, Australia's voluntary labelling guidelines.

No marketing to children

We respect the role of parents and caregivers as the primary decision makers over what children drink.

Together with TCCC, we have a long-standing policy not to advertise or market any of our products to children under 12. In 2022, we raised this to include children under 13, with higher age limits in specific regions.

We play a proactive role in leading local industry coalitions to strengthen our actions, particularly in the rapidly evolving digital and social media environment.

Find out more about our marketing policies at cocacolaep.com/sustainability/this-is-forward/forward-on-drinks/

Research and development

We manufacture and distribute products designed and formulated by TCCC and other brand owners. We work to influence our partners to innovate, creating new products that will meet consumer needs.

TCCC's second-largest innovation centre is based in Belgium, where products for Europe, the Middle East, Africa and part of South Asia are developed. We do not have our own research and development centre, but we do develop new innovative packaging concepts and work to install less energy, water and carbon intensive beverage manufacturing technology.

Food safety

We adhere to The Coca-Cola Operating Requirements (KORE), which define operational controls and prioritise sustainable sourcing of ingredients.

All CCEP production facilities are certified to the internationally recognised food safety standard, FSSC 22000. In addition, all of our European and Indonesian production facilities are OHSAS 18001/ISO45001 certified.

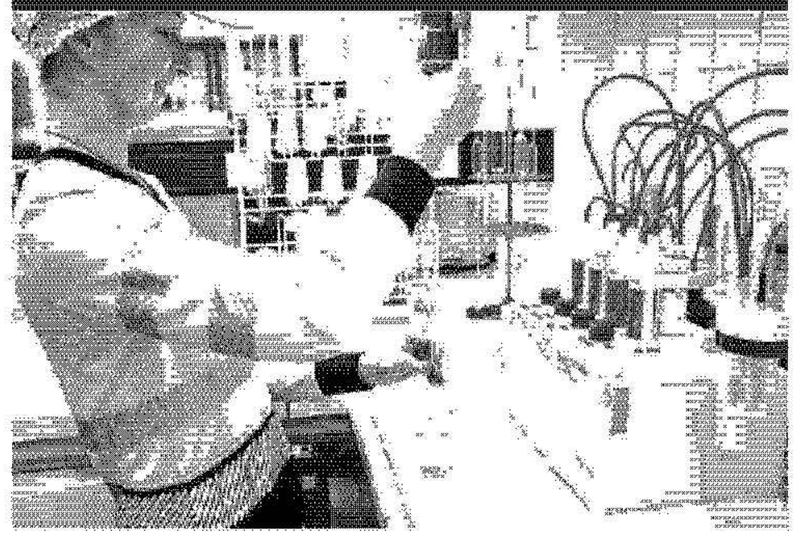
All CCEP employees have a responsibility to ensure that we only supply safe products by following the relevant policy guidelines, procedures and processes at our production facilities and throughout our entire supply chain.

Food additives

The food additives we use have been approved as safe by globally recognised authorities, including the Joint FAO/WHO Expert Committee on Food Additives (JECFA), the European Food Safety Authority (EFSA), and the Food Standards Authority of Australia and New Zealand (FSANZ).

We only use additives in our drinks when they are needed for preserving, colouring, sweetening or balancing acidity. We provide information about the ingredients used in our beverages, including any food additives.

Case study
Quality and food safety awareness training



Producing safe and high quality products that our consumers can trust is at the heart of everything we do and is an essential part of who we are.

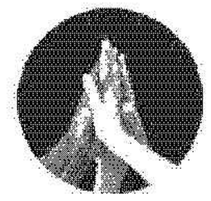
In 2022, we launched a new mandatory training module for our employees – Quality and Food Safety Awareness – to continue our focus on safety and wellbeing.

Through the training, our employees learn about the importance of our food safety and quality programmes, and recognise their own role in ensuring we can provide high quality and safe beverages for our customers and consumers.

Read our quality and food safety policy in our policy hub at cocacolaep.com/about-us/governance/

Taking action on sustainability continued

Forward on society – communities



The context

Our local communities often face significant societal challenges, including high levels of inequality, youth unemployment and social exclusion. Many are also increasingly exposed to the most severe impacts of climate change, including extreme weather events, flooding and bushfires.

We are determined to make a positive difference in our local communities by acting as a force for good, championing inclusion and supporting economic empowerment.

Our strategy

We are proud to have been closely connected to our communities for many generations – through our local production facilities, the drivers who deliver our products and the employees who make and sell our drinks.

Through our community investment programmes and activities, we seek to make a lasting positive contribution within our local communities. This involves supporting grassroots community programmes and partnerships, promoting inclusion and diversity, and equipping people from underrepresented groups with the skills, confidence and opportunities to succeed in life and the workplace.

We are also committed to protecting our local environment through investment and employee volunteering. Our volunteering policy enables our employees to participate in a wide range of volunteering activities that align with our This is Forward commitments, including litter clean up campaigns, charity fundraising events and skills-based volunteering.

We measure the value of our contribution to local communities through the Business for Societal Impact Framework and will continue to enhance the way we measure the social impact of our investments.

Targets and performance[A]

Community contribution
Total community investment contribution[B] (€ millions)

Group

2022 12.2

Europe

2022 10.7

2021 9.2

API

2022 1.5

2021 1.8

Volunteering hours
Number of hours volunteered by our employees

Group

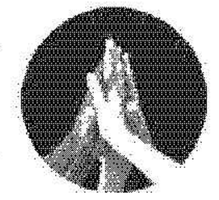
2022 28,562

Supporting Skills Development[C]
Support the skills development of 500,000 people facing barriers in the labour market by 2030

(A) The acquisition of API completed on 10 May 2021. The API sustainability metrics are presented on a full year basis for 2021 to allow for better period over period comparability.
(B) Group total community investment contribution equated to 0.6% of profit before tax on a comparable basis.
(C) New target. Complete data not available for 2022 reporting. We aim to report on this indicator in 2023.

Taking action on sustainability continued

Forward on society – communities continued



Community investment, employee volunteering and customer engagement

Supporting skills development

We believe that everyone should be given the opportunity to fulfil their potential – by gaining access to meaningful employment, learning a new skill or starting a business.

We support a wide range of programmes across our markets, including a partnership with the Refu Interim project in Belgium, which encourages young, new immigrants to get acquainted with the labour market, helping them in their professional development. Across Indonesia we collaborated with local NGOs, universities and other associations throughout the year to provide mentorship programmes to support over 115 micro, small and medium enterprises.

Promoting social inclusion

With TCCC, we are a long-standing supporter of Special Olympics, which is the world's largest sports organisation for children and adults with intellectual and physical disabilities. Our support in Belgium, France, Germany, Great Britain and the Netherlands includes volunteering, financial support and product donations.

In 2022, we organised the sixth edition of GIRA Mujeres in Spain, a training programme for female entrepreneurs. The programme offers training, education and empowerment to women aged 18 to 60 who want to develop a business idea through entrepreneurship within the food and beverage, and leisure and tourism sectors. In 2022, over 800 women participated in the programme.

In Australia, in partnership with The Coca-Cola Australia Foundation (CCAF), we support IndigiGrow, a programme run by First Hand Solutions, an organisation that focuses on providing young Aboriginal people with the opportunity to work, gain skills and knowledge from positive Aboriginal role models and community elders. With the help of the CCAF, First Hand Solutions has been able to expand its IndigiGrow programme, which aims to sustain people, land and culture through the propagation of native plants, including bush foods. The CCAF supports the employment of those who are empowered to take on operational roles within the plant nursery.

Case study
Supporting skills development



Many of our existing community partnerships already support skills development, so in 2022 we set a new target to support:

500,000

people facing barriers in the labour market by 2030.

For example, our GIRA Youth programme in Spain promotes employability, skills development and vocational training for young people from disadvantaged backgrounds. The programme celebrated its 10th anniversary in 2022.

Find out more at cocacolaep.com/sustainability/this-is-forward/forward-on-society-our-communities

Support for local communities

Our Support my Cause initiative enables our people to nominate and support grassroots charitable and community causes. Following its success in Europe, we launched the programme in Indonesia and New Zealand in 2022.

In 2022, we donated €270,000 to 38 local charities and community groups across our territories. In addition, we donated over €480,000 to support 135 grassroots charitable and community partnerships located close to our sites and offices.

In Australia, we continued our Employee Connected Grants programme partnership with the CCAF. This programme provides our people the opportunity to support charities that they care about or have personal connections with. We also support philanthropic and cultural organisations nominated by CCEP and Coca-Cola South Pacific employees.

Disaster response and resilience

In 2022, we assisted first responders during environmental disasters and social unrest by donating bottled drinks to affected communities. We also made financial donations to disaster relief organisations.

For example, in January we provided financial relief and shipped 35,000 bottles of Pure Drop water to the Tongan community within the first week following the tsunami. In response to the earthquake that struck Cianjur in Indonesia we distributed 500 cases of drinks and provided financial aid.

We have also provided support for Ukraine. To date, we have donated €250,000 and over 36,000 unit cases of drinks to the Red Cross in Ukraine. We also organised an employee donation campaign and support scheme for employees housing Ukrainian refugees.

Employee volunteering

As part of our commitment to support local communities, our employees can spend up to two paid working days each year volunteering for a charity or cause of their choice.

We encourage our people to participate in volunteering activities that align with our This is Forward commitments, such as litter clean-up campaigns and charity fundraising events.

In Great Britain, ahead of the 2022 Birmingham Commonwealth Games, we partnered with the Canal & River Trust, to improve and enhance the environmental wellbeing of three key areas along the Birmingham canal network. CCEP provided funding and volunteer support to the project.

At the end of 2022, we joined forces with multiple organisations across Spain to deliver more than 24,000 Christmas meals to vulnerable families across 24 Spanish cities. Hundreds of Coca-Cola volunteers joined the initiative, delivering meals and supporting in organisational and logistical tasks.

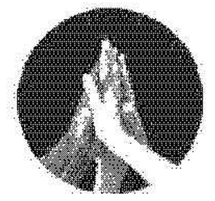
Partnerships with our customers

In 2022, we used the power of our Australian water brand, Mount Franklin, to join forces with major supermarket Coles, to support food relief organisation, SecondBite. As part of this partnership, we donated 20 cents to SecondBite from each specially marked 20x500ml pack sold at Coles stores nationally. The initiative continues until March 2023 and is on track to reach its goal of donating the equivalent of one million meals to Australians in need.

During the year, we also established a new community partnership in the Netherlands with the Refugee Company, a charity that provides hospitality industry training for refugees who have recently settled in the Netherlands.

Taking action on sustainability continued

Forward on society – people



The context

We owe our success to the passion and commitment of our talented people.

We are passionate about what we do and what we stand for, and our people are empowered to make a difference.

We foster a workplace that promotes wellbeing, inclusion and respect, where people at every level can be heard, grow and have a positive experience.

Our strategy

Our people strategy, Me@CCEP, sets out our common culture and values. These include: being valued, being well, being recognised, being developed, being connected and being inspired.

We aim to be an organisation where people feel they belong and where our inclusive culture drives innovation and performance, creating a trusted and successful business that our colleagues, customers and communities admire and support.

Our people's physical and mental wellbeing remains our priority and we promote this in our workplace. We continue to embed a strong health and safety culture through systems, processes and programmes. Our Health, Safety and Mental Wellbeing policy ensures we are working to adopt best practices.

Targets and performance

Gender diversity
45% of management positions to be held by women by 2030[A]

	Target
Group	45% by 2030
2022	37.2%

Gender diversity
A third of our workforce to be women by 2030

	Target
Group	33% by 2030
2022	23.8%

Safety
Reduce our total incident rate (TIR) to below 1 by 2025

	Target
Group	<1
2022	0.87

	Target
Europe	<1
2022	1.04

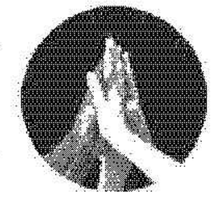
	Target
API	<1
2022	0.62

Disabilities[B]
10% of our workforce represented by people with disabilities by 2030

(A) Excludes Papua New Guinea, Fiji and Samoa as aligned role grades not available for 2022 reporting. We aim to include these markets for 2023.
(B) New target. Complete data not available for 2022 reporting. We aim to report on this indicator in 2023.

Taking action on sustainability continued

Forward on society – people continued



Being valued

Inclusion, diversity and equity strategy
Our philosophy is that everyone's welcome to be themselves, be valued and belong. We are committed to building a diverse workforce, with an inclusive culture and equity at its core. We believe this commitment will enable us to take positive action for our people, better represent the communities we serve, and support our sustainable business growth.

We have created an environment for people of every culture, faith, ethnicity, heritage, ability, gender identity, sexual orientation and age to contribute to the growth of CCEP; a place where everyone feels respected and able to share their ideas and perspectives.

Led by our Inclusion, Diversity and Equity (ID&E) Centre of Expertise and sponsored by our ELT, we deliver our philosophy by listening to our people's lived experiences, developing action plans and tracking progress against our five pillars: culture and heritage; disability; gender; LGBTQ+; and multi generations.

We have dedicated groups of employees and ELT sponsors to influence action at scale and remove identified barriers to inclusion.

Within our This is Forward sustainability action plan, we have set a target of ensuring that at least 45% of management positions (middle management and above) are held by women by 2025.

Leadership accountability
To work effectively across our diversity pillars, our Everyone's Welcome Steering Committee, comprising ELT sponsors, works with leaders and ambassadors to provide greater leadership accountability, to understand the barriers for underrepresented communities, and to identify and deliver meaningful actions and measure impact.

Our detailed ID&E scorecard enables us to measure and benchmark our progress. Every quarter, we review the progress of each BU and function against its action plans. In addition, each executive sponsor has their own performance objectives.

Our progress
Throughout 2022, we ran three targeted campaigns aimed at further embedding our Everyone's Welcome philosophy. We focused on established, internationally recognised celebrations: International Women's Day, Pride month and International Day of Persons with Disabilities.

Promoting diversity in recruitment
To ensure a sustainable pipeline of diverse talent, our programmes and activities promote inclusion and diversity at every stage of the candidate and employee journey, from recruitment and apprenticeships, to training, development and progression. These activities are supported by our clear inclusion and diversity policies, and in 2022, we launched our first Inclusive Recruitment Principle and Candidate Charter.

We use targeted attraction strategies and specialist job boards, with inclusion and diversity-specific audiences and content to promote our inclusive culture. We share information and stories from our own people on their inclusion experiences on social media and our careers website to showcase our philosophy that everyone can be themselves and belong at CCEP.

We work with specialist external partners to help us reach underrepresented communities across the markets we serve and to learn how to improve our pipeline of diverse talent.

We work to support and protect our people, now and in the future. We welcome people from all backgrounds, faiths, cultures, sexual orientation and abilities, ensuring we have the appropriate training and support for the employment and progression of people with disabilities.

Partnerships to support diversity
As part of our commitment to building a workplace that embraces ID&E, we partner with relevant organisations, and support industry-wide pledges to build a more diverse consumer sector.

As well as signing the LEAD Network pledge and the Valuable 500 pledge to accelerate gender parity and inclusion, and put disability inclusion on our business leadership agenda, we have also signed the UN Women's Empowerment Principles. This set of seven principles guides us in promoting gender equality and women's empowerment in the workplace, marketplace and community – based on international labour and human rights standards.

We are also members of the Business Disability Forum, Stonewall's Diversity Champions programme, global LGBTQ+ leadership community RAHM, the European Network Against Racism and the Social Mobility Index.

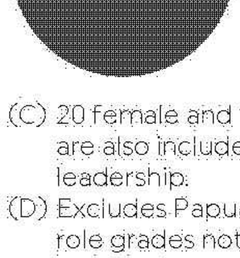
In 2022, we proudly became the first beverage company to be listed on the Global Stonewall Workplace equality index achieving Bronze status.

(A) CCEP full time, part time and temporary active corporate employees. Full time equivalent employees as at 31 December 2022. Includes one employee who did not declare.
(B) The members of the ELT and their direct reports consists of 109 female and 175 male employees.

Workforce diversity 2022

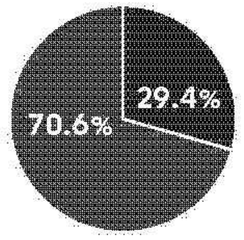
Female Male

Total employees
(including part time employees)



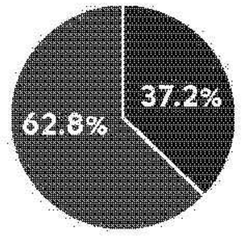
Total: 33,295(A)
7,922
25,372

Board of Directors



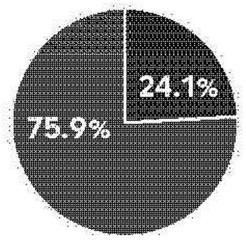
Total: 17
5
12

Leadership
(senior management grade including ELT)(B)(C)



Total: 3,379(D)
1,256
2,123

Directors of subsidiary companies(C)

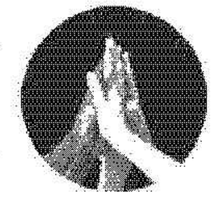


Total: 116
28
88

(C) 20 female and 51 male directors of subsidiary companies are also included in the workforce diversity statistic under leadership.
(D) Excludes Papua New Guinea, Fiji and Samoa as aligned role grades not available for 2022 reporting. We aim to include these markets for 2023.

Taking action on sustainability continued

Forward on society – people continued



Being well

Wellbeing and safety strategy
We prioritise our people's physical and mental wellbeing, and provide a safe and healthy work environment. We expect all employees, contractors and individuals under our supervision to follow our policies, procedures and processes to mitigate risks at all times.

We encourage our people to take action if they become aware of any activity, situation or behaviour that could compromise the physical or mental wellbeing of another person, and report any harms avoided. Managers are responsible for ensuring that workplaces, processes and equipment are kept safe, and must prioritise the wellbeing of their people.

If our people are injured or suffer any mental or physical health issues, we endeavour to make any reasonable adjustments to their duties and working environment to support their recovery and continued employment. Our Board receives regular updates from the CEO on the health and safety of our people, including COVID-19 challenges.

Safety commitment
We believe all injuries are preventable and that no task is so important that it can't be done safely. We aim to reduce our total incident rate (TIR) to below 1 by 2025 and our lost time incident rate (LTIR) to below 0.5. Tragically, in 2022, there were two employee fatalities in Indonesia. The incidents were investigated with the local authorities and we continue to improve our safety procedures to prevent a reoccurrence.

We consult in each BU with employees and employee representatives through committee meetings, risk mitigation workshops, works councils and union meetings. We have quarterly performance review meetings with local leaders as well as the ELT, with clearly defined annual plans. We set and communicate targets throughout the organisation, based on actual performance and sustainable improvement. All our health and safety policies are signed and approved by our CEO.

Measuring safety performance
Our integrated management systems and programmes measure our safety performance using TIR and LTIR(A).

We have a contractor management system in place across all our territories. Under this system, all contractors are required to pass a risk-based assessment before they are permitted to work at our sites. We track contractors' lost time incidents, but we cannot calculate their LTIR as we do not have visibility of their work hours, only their hours spent on site. In 2022, there were 13 contractor lost time incidents across our markets.

Safety management systems
Our health and safety management system covers our supply chain (production facilities, procurement and distribution), our commercial teams, our support functions, and contractors, aiming to mitigate risks and promoting a culture of safety for our employees to learn from.

Tools like dynamic risk assessment, management safety walks, safety conversations, capturing learnings through near-misses and potential events are commonly used. Any potential hazard or work incident is investigated by a diverse investigation team to identify and prioritise the short-, mid- and long-term action plans and communicate learnings.

(A) TIR counts any injury per 100 full time equivalent (FTE) employees that requires medical treatment beyond First Aid. LTIR calculates incidents per 200,000 hours worked, which is equal to 100 FTE employees resulting in time away from work.

We provide health and safety training to our employees because it is essential for capability and competency development. We align the training to the required global Coca-Cola system health and safety procedures and CCEP risk management procedures. All health and safety training is aligned with local health and safety regulations. CCEP is an active member of the TCCC Global Safety Committee and proactively corresponds to any learnings coming through the network.

Supporting our people
We communicate clear expectations and role descriptions, and provide constructive and appreciative feedback to our colleagues. Our managers ensure that workloads enable employees to do their best and are not overwhelming or under-demanding.

We offer flexible working where possible, respecting the right of employees to work or to be disconnected outside of their regular working hours where appropriate based on their personal needs, according to our "Ways of Working" policy. In Great Britain, employees can request home-based, remote working and flexible hours. In Germany, they can request reduced annualised or compressed hours. Some countries have also negotiated working from home collective bargaining agreements.

At a number of our sites, we provide childcare services. In France, we offer day care solutions for the children of our employees in our headquarters and some production facilities. In Belgium and Luxembourg, we offer childcare (Teddy Care) for ill children between three months and 12 years of age. In the Netherlands, we provide a private place for breast feeding mothers. We also have a maternity policy and adoption leave policy, which varies by country based on local legislation and practice.

In June 2022, we conducted an engagement survey. The results showed that we have made the most progress in workplace safety and the wellbeing of our people. We have opportunities in removing barriers for our people to do their work, how we communicate effectively and provide learning opportunities.

In 2022, we grew our Mental Health First Aider initiative and expanded an internal mental health support network to over 800 trained employees across our territories. Over 1,000 people have received support and benefited from our Employee Assistance Programme (EAP), a 24/7 independent service offering free professional counselling, self-help programmes, interactive tools and educational resources for our people and their family.

Case study
Mental health and wellbeing campaigns

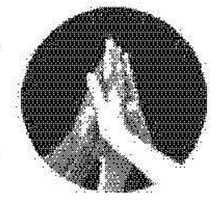


In 2022, to celebrate two world safety and mental health days in April and October, we organised wellbeing campaigns. The focus was on raising awareness of our people and leadership training programmes, our network of wellbeing leads and First Aiders and our EAP. We also organised various mental wellness sessions to motivate our employees to take care of their physical and mental health.

Read more at cocacolaep.com/annual-report/case-study/people-safety

Taking action on sustainability continued

Forward on society – people continued



Being recognised, developed, connected and inspired

Employee benefits

We pay fairly and in line with appropriate market rates, and provide our people with benefits according to their country and level in the organisation, including packages to cover sickness, post-natal childcare, bereavement or a long-term illness in the family. We also offer pension plans, life insurance and medical plans, as well as many others benefits.

In 2022, we launched the new global Employee Share Purchase Plan (ESPP), which gives our employees the opportunity to buy Shares in CCEP on a regular basis. For every share an employee purchases, CCEP will provide a matching share, up to an agreed limit. In Great Britain, we offer a similar opportunity under an employee share plan, which makes use of a tax-efficient opportunity for employees to become shareholders through salary sacrifice arrangements. Around 38% and 76% of eligible employees were participating in the global ESPP and Great Britain share plan, respectively, on 31 December 2022.

Around three-quarters of our employees participate in annual variable remuneration plans. We offer an annual bonus plan to around 13,000 people across the organisation (39% of our total workforce). In addition, we offer sales incentive plans to 25% of our people, and a further 24% participate in local incentive plans. We operate a Long-Term Incentive Plan (LTIP) for around 300 people who occupy the most senior roles in the business. Bonuses are linked to the delivery of commercial and sustainability goals with the LTIP being linked to ROIC, EPS and CO_2e targets.

Pay equity

We are committed to being an equal opportunities employer. We make decisions about recruitment, promotion, training and other employment issues solely on the grounds of individual ability, achievement, expertise and conduct.

To ensure that line managers make appropriate pay decisions, we provide training and support. We monitor pay equity within our territories.

Employee development

Our range of training programmes and platforms develop core capabilities in leadership, commercial, customer service and supply chain at every level of our business.

We offer training opportunities using our digital learning platforms Juice and Academy. These platforms are available on any device, so our people can access them easily. Using the MyPerformance@CCEP app and Me@CCEP platform, employees can create their own talent profile and understand their objectives, feedback and development.

We value and invest in our early career talent and support initiatives that help young people gain employability, skills and confidence. This includes offering internships, apprenticeships and graduate programmes. For the eighth year, we have partnered with One Young World, the global forum for young leaders. 28 CCEP delegates attended the 2022 summit in Manchester and participated in an internal post-development programme.

We have ID&E learning modules on practising inclusive leadership, starting an ID&E conversation and allyship. Underpinning this formal learning is a series of resources, which include conversation guides on LGBTQ+, allyship, inclusive language, discussing disability and addressing age stereotypes, as well as an accessible communication toolkit.

We have training on anti-harassment and ID&E in the workplace which is mandatory for people managers and the People and Culture team.

Engaging with employees

Good communication is an essential part of building a motivated, engaged workforce. We are committed to communicating clearly and transparently with our people and their representatives.

Employees have access to news and information about CCEP in local languages through digital platforms and printed materials, and direct dialogue through business talks and all hands meetings. CCEP management gives updates about CCEP's overall, and local, performance through these channels, as well as through our published results. People also have opportunities to hear from and ask questions to our Board.

We have extended our digital solutions for employees to make it easier for them to access policies, training and key data on pay and performance.

We aim to uphold freedom of association and collective bargaining as a human right according to our Human Rights policy. Where applicable, we consult with our people and their representatives to discuss proposed measures before making decisions.

CCEP has set up forums to ensure that the voice of employees is heard and taken into consideration.

Following our commitment, we meet regularly with European Works Council, national and local works councils, as well as trade unions that represent our people, in all our territories where we operate. Around 50 unions represent our employees throughout our territories.

Our policies are written in a way that is easy to understand and are accessible in local languages. We review our global policies annually to ensure they are up to date with legal requirements and relevant for business and social strategies.

Employees supporting local communities

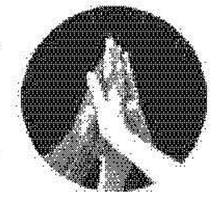
We are determined to draw on our people's passion for what we do and empower them to make a positive difference in our local communities.

As part of our support for local communities, our employees can spend up to two paid working days each year volunteering for a charity or cause of their choice.

Read about employee volunteering
on page 57

Taking action on sustainability continued

Forward on society – people continued



Being responsible

We aim to live up to our responsibilities as a business by being accountable, ethical and aware of the risks in everything we do.

At CCEP, we hold ourselves accountable to the highest standards of corporate governance and aim to provide transparent and timely information in respect of our activities to our stakeholders. CCEP has a strong corporate governance framework with a Board overseeing the interests of all stakeholders.

Management has a Compliance and Risk Committee (CRC) chaired by the Chief Compliance Officer (CCO) which oversees the ethics and compliance (E&C) function and provides management input regarding the E&C programme.

Read about our corporate governance on pages 97-107

Ethics and compliance

Our E&C programme for all our employees and Directors is designed to ensure we conduct our operations in a lawful and ethical manner. It also supports how we work with our customers, suppliers and third parties.

Code of Conduct

Our Code of Conduct (CoC) seeks to ensure that we act with integrity and accountability in all our business dealings and relationships. Our policies also drive compliance with relevant legislation. We expect everyone working at CCEP to adhere to the CoC, which was updated in 2022.

The CoC covers issues such as anti-bribery, data protection, environmental regulation, human rights, health, safety, wellbeing and respect for others. It aligns with the UN Global Compact, the US Foreign Corrupt Practices Act, the UK Bribery Act, the UKCGC, the EU General Data Protection Regulation, the Spanish and Portuguese Criminal Codes and Sapin II.

We also expect all third parties who work on our behalf to act in an ethical manner consistent with our CoC and to comply with our SGPs.

All employees are required to undergo CoC training, which is also a part of the induction process for new employees. Training on specific topics related to their roles is also provided where needed. Our CoC specifically calls out manager responsibilities and includes a matrix to help with decision making and guidance on situations such as bullying and harassment.

Read our CoC at www.ccepcoke.online/code-of-conduct-policy

Preventing bribery and corruption

We aim to prevent all forms of bribery and corruption in our business dealings. Our CoC sets out our principles and standards to prevent bribery and corruption, including conflicts of interest and the exchange of gifts and entertainment.

Our Gifts, Entertainment and Anti-Bribery policy applies to all employees. There is a mandatory training for a targeted audience.

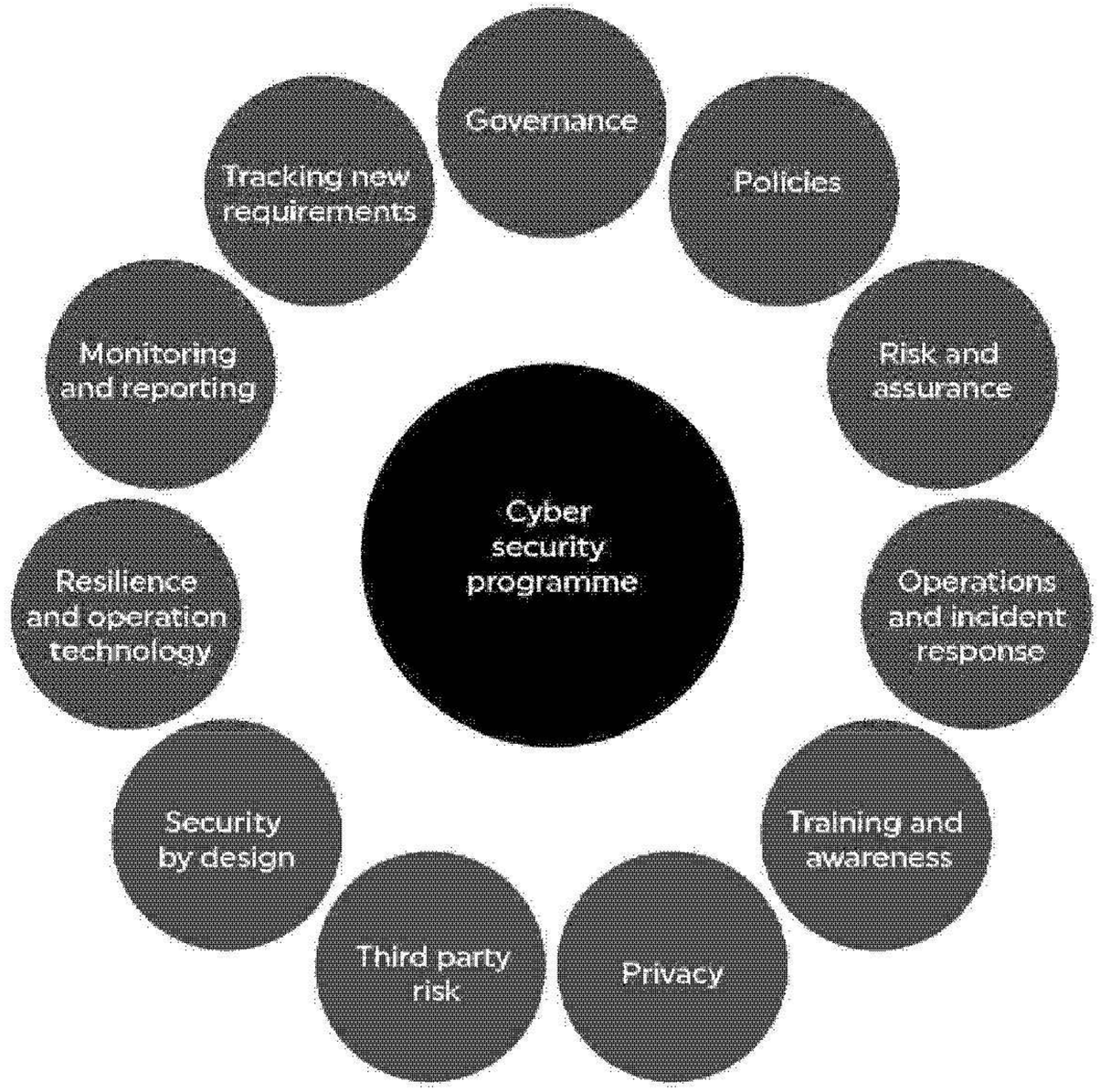
Find our policy hub at cocacolaep.com/about-us/governance

Raising concerns

Any employee who wishes to raise concerns about wrongdoing at CCEP is encouraged to seek advice from their line manager and/or raise a report through our internal Speak Up Resources and/or dedicated and confidential external Speak Up channels. When any employee raises a concern in relation to the CoC, CCEP will act promptly and appropriately. We also encourage our employees to raise concerns in the moment and ask "Is it Coke"?

Promoting cyber security culture

CCEP's Information Security Governance Committee and Chief Information Security Officer (CISO) oversee CCEP's cyber security programme, illustrated below.

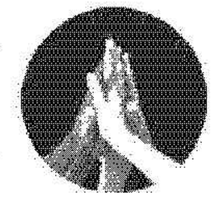


Our actions promote a cyber security culture where everyone feels a responsibility to prevent cyberattacks. During 2022, we increased the training modules for our employees and promoted awareness during a cyber security week.

Our designated INED engaged in the cyber security and strategy process, John Bryant, ensures strong Audit Committee and Board oversight. Results of phishing simulations and training are regularly reported to the Audit Committee.

Taking action on sustainability continued

Forward on society – people continued



Respect for human rights

We are committed to ensuring everyone who works at CCEP and in our supply chain is treated with dignity and respect. We consider human and workplace rights to be inviolable and fundamental to our sustainability as a business. We support the 10 principles of the UN Global Compact.

Our principles regarding human rights are set out in our Human Rights policy, which is aligned with accepted international standards and CCEP's CoC.

Further information on our principles regarding human rights is provided in our SGPs and PSA. These set out the requirements of our suppliers related to business ethics, human and workplace rights, the environment, and providing benefits to communities.

Modern slavery

We have a zero-tolerance approach to modern slavery of any kind, including forced labour, and any form of human trafficking within our operations, and by any company that directly supplies or provides services to our business. In 2017, we published our first Modern Slavery Statement in accordance with the UK Modern Slavery Act 2015, and continue to update this annually. In API, we published our first Modern Slavery Statement in 2020 following the Australian Modern Slavery Act 2018 (Cth).

In 2022, we published our first joint Modern Slavery Statement valid for both business areas. It sets out the steps taken by CCEP and its Group companies to prevent, identify, and address modern slavery risks across our business and supply chain.

See our modern slavery statements at cocacolaep.com/about-us/governance

Human rights risk assessment

As a result of human rights risks assessments that have been completed in Europe and API, we have identified 12 areas as priority issues for CCEP, as summarised in the human rights risk assessment table to the right.

The effective tracking and management of these risks also ensures compliance with relevant legislation.

In 2022, we conducted three additional country-specific or situation-based risk assessments in Spain, Norway and Indonesia. In follow up of these assessments, we established a working group in Spain, responsible for analysing the current measures in place to prevent human rights breaches in the area of temporary contracts and the short-time work scheme. In Norway and Indonesia, we anticipate publishing a report in 2023, including measures to be taken.

Find out more about our approach to human rights at cocacolaep.com/sustainability/human-rights

Human rights risk assessment: priority issues



Principal risks

Our enterprise risk management (ERM) framework addresses the principal risks we face as a business and how we identify, assess and manage them.

Our approach to risk

Our Board has overall responsibility for risk management at CCEP. The Board and senior management are involved in the identification of principal and emerging risks, our strategic response to them, and oversee management's actions to achieve our strategic objectives. To support this, risk management is embedded within our daily operations and culture.

We identify, assess and manage risks in a systematic and structured way, using appropriate risk management tools and methodologies, implemented at various levels of our business. CCEP's ERM framework looks at risks we face and the opportunities we have.

Since the creation of CCEP we have continually enhanced our risk management capabilities through consultation and collaboration across the business and external benchmarking. The focus in 2022 was on building strategic scenario planning capabilities (for climate change risk), applying advanced technologies to support the identification of emerging risks and quarterly internal risk reporting to support management decision making. We review and adapt our risk and internal control systems to address the changing risk environment and to adopt best practices.

Through our One Risk Office, a forum that brings together second and third line of defence representatives, we share risk management knowledge across all functions and countries in which we operate. We discuss emerging risk themes or external factors that could impact our business. We regularly invite external risk experts and risk leaders from other organisations to help us broaden our horizons and review our understanding of risk.

Identifying and assessing risk

To gain an understanding of the risks CCEP faces, we assess risks top down and bottom up.

Our annual enterprise risk assessment (ERA) gives us a top down strategic view of risk at the enterprise level. During the ERA, we carry out a risk survey with our top business leaders, followed by interviews with the Board and Executive Leadership Team (ELT) to identify current and emerging risks. We periodically review and update our assessment processes. In 2022, we received feedback from over 100 of our senior leaders, including all Board members.

In 2022, we started conducting the interviews in small groups to trigger insightful conversations among participants for specific risks. We have also started the analysis of interdependencies between our defined risk categories. A deeper understanding of such interdependencies will help us define our risk mitigations and controls more effectively.

To gain a bottom up view of risk, from an operational perspective, we carry out risk assessments at a business unit (BU), functional and project level. Each BU has established local compliance and risk review processes, undertaken by its local leadership team. The local leadership teams review and update risk assessments, ensuring that risk management is incorporated into business routines.

Day to day ERM work is overseen by the Compliance and Risk Committee (CRC), a management committee chaired by the CCO. Every quarter, the CRC invites risk owners to share updates on key risks and how they are being managed. In 2022, these included updates on: geopolitical risks and action plan updates, business continuity and resilience planning, CoC, safe culture and fair treatment, human rights and policy management, GDPR compliance, corporate security and corporate integrity programme, health and safety and wellbeing campaigns. We also share and discuss results of targeted risk exercises such as assessments, scenarios and simulations. The CRC reports to the Board Committees, such as the Audit Committee, at least five times per year.

In 2022, API was integrated into our ERM framework. We have leveraged risk management best practice from API in Europe, for instance integrating ERM into the annual business planning cycle.

In 2022, we partnered with Risilience and the Centre for Risk Studies within the Judge Business School at the University of Cambridge, to further develop our strategic scenario planning capabilities. The initial focus of our collaboration is on climate change risk to support strategic decision making in line with our sustainability commitments and to facilitate from the Task Force on Climate-related Financial Disclosures (TCFD) reporting. In partnership with Risilience, we have developed a digital twin platform, enabling us to model physical and transition risks across our value chain over a 20 to 30 year timeline with various warming scenarios. In 2023, we are planning to apply the digital twin platform to other enterprise risks like cyber, packaging or talent.

Read more about TCFD on pages 28-37

Managing risk

Once risks are identified, we analyse them to understand the likelihood, potential impact, velocity and effectiveness of existing mitigations. Actions are developed where mitigations are not meeting expectations or the risks are at unacceptable levels. The risk criteria that we use for our risk assessments are reviewed on an annual basis to ensure that they adequately cover the different types of consequences and remain fit for purpose.

Since the implementation of risk appetite statements (RAS), we have used this tool to support business decision making aligned with our strategic objectives. We compare our current risk profile (ERA outcome) with our RAS (tolerated level of risk). RAS are reviewed annually by the CRC and the Audit Committee, with actions defined as necessary.

We are in the process of adapting the RAS for operations by defining key risk indicators for each statement with the risk owners.

Case study
Minimising supplier risk



With a network of more than 17,000 suppliers, increasing global supply chain complexity and disruptions, it is challenging to monitor all risk types and block out noise without applying artificial intelligence (AI) to big data.

Procurement has therefore implemented Resilinc to use the power of AI in proactively identifying potential risks impacting our business through our supplier and sub-supplier network. By using AI to monitor a broader risk portfolio and identify emerging risks, we have found ways to turn them into benefits.

50m

Scanning over 50 million information feeds annually across over 150 risk types in 100 languages

~3,000 sites

Since implementation, procurement have monitored in total over 3,000 suppliers, sub-suppliers and CCEP sites using Resilinc

Read more about our supply chain on pages 49-52

Principal risks continued

To strengthen our ability to identify emerging risks early, we continue with CCEP's procurement team and external partner Resilinc, a provider of a tool that uses AI for cognitive risk sensing, to manage our supplier risks (see case study on page 64). The tool extracts relevant information and trends from all available external and internal sources and makes them available to the responsible category manager in procurement. ERM is pioneering this work with the toll provider as the ultimate goal is to capture signals that indicate the development of new types of risk for which CCEP needs to prepare. Early detection of such risks can help to convert threats into opportunities and competitive advantages for CCEP.

We manage risk through the ERM framework, our processes and policies. Our annual policy review ensures the policies and related policy guidance remains valid. Changes within the documents have been approved by the CRC. Changes in policies, for example the CoC, the Gifts, Entertainment and Anti-Bribery policy and the Speak Up policy, have been approved by the CRC and Board.

The following pages set out a summary of our principal risks based on the findings of our most recent ERA. The Board has carried out a robust assessment of these principal risks. This summary is not intended to include all risks that could impact our business and the risks are presented in no particular order. In this report, we show how each principal risk links to, and underpins the relevant aspect of, our strategy.

Beyond principal risks, CCEP faces other operational risks which are managed as part of our daily routines, such as employee health, safety and wellbeing, fraud and human rights.

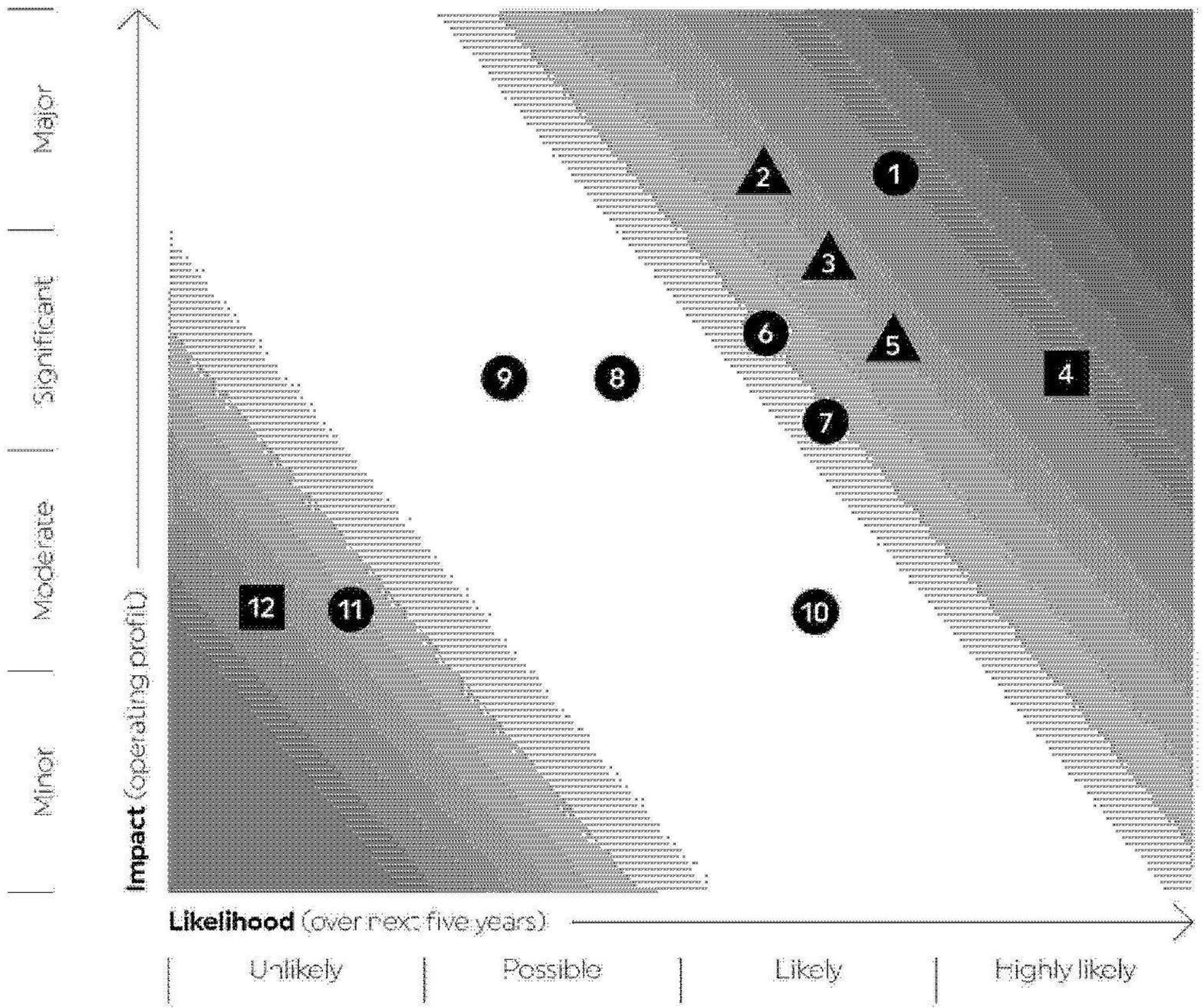
Principal risk map(A)

External
Opportunities and risks, such as macroeconomic, socio/political and competition risks, that could fundamentally impact business strategy. Typically managed by teams that respond to significant shifts in government relations, consumer or supplier behaviour.

Strategic
Opportunities and risks that could impede the achievement of strategic objectives and targets, such as poor resource allocation or decision making. Typically managed by senior leaders responsible for delivering strategic initiatives set by the Board.

Operational
Opportunities and risks that could impact day to day operations in areas such as production, logistics or sales. Managed across all business areas through controls embedded in processes and procedures.

Extreme events
Events that would have an extreme impact on the business, such as war, pandemic, cyber attack, global financial crisis, natural disaster. These can materialise in any part of the business and may coincide with other risks in particular scenarios. Because extreme events can occur in any principal risk, they will not be assigned to a single specific category.



Velocity scale: (speed to impact)

- ■ Very rapid (less than one month)
- ▲ Rapid (less than one year)
- ● Moderate (one to three years)
- ○ Slow (greater than three years)

Principal risks

1. Packaging
2. Legal, regulatory and tax
3. Business disruption
4. Cyber and social engineering attacks and IT infrastructure
5. Economic and political conditions
6. Market
7. Climate change and water
8. Perceived health impact of our beverages (including ingredients) and changing customer buying trends
9. Business transformation, integration and digital capability
10. People and wellbeing
11. Relationships with TCCC and other franchisors
12. Product quality

(A) Changes in risk are as against the principal risks section of CCEP's Integrated Report/Annual Report on Form 20-F for the year ended 31 December 2021 as updated and supplemented in CCEP's Results for the six months ended 1 July 2022.

Principal risks continued

The table below shows our principal risks.

Principal risk	Strategic objective	Description (What is the risk?)	Causal factors themes (What gives rise to the risk?)	Consequence themes (Potential impact of the risk)	Key control mitigations (How we manage it)	Change
Packaging Find out more in Forward on packaging on pages 42-45		The risks relating to packaging waste and plastic pollution, and single use plastic	• Stakeholder concern about the environmental impacts of single use plastic packaging, litter and packaging waste	• Brand and reputation damage from not keeping up with community/customer expectations • Financial impact from increased taxes and on the costs of doing business • Regulatory and compliance impacts • Increased potential for activism and litigation	• Development of the packaging pillar within our This is Forward sustainability action plan, including pack mix, recycled content and improving packaging collection. More information on our packaging strategy can be found in our Forward on packaging section on pages 42-45 • Continued sustainability action plan focused on packaging, including our commitments to: – Ensure that 100% of our primary packaging is recyclable by 2025 – Drive higher collection rates, aiming to ensure that we collect and recycle a bottle or a can for each one we sell by 2030 – 50% recycled plastic in our PET bottles by 2023 (Europe) and 2025 (API) – Stop using oil-based virgin plastic in our bottles by 2030 – Invest in rPET infrastructure to help drive packaging circularity and secure access to recycled material	⇆
Legal, regulatory and tax		The risks associated with new or changing legal, regulatory or tax, legislative environment and subsequent obligations and compliance requirements	• Manufacturing activities • Use of certain ingredients • Packaging • Restrictions on sugar and sweeteners • Labelling requirements • Distribution and sale activities • Employment costs • Carbon taxes	• Financial impact from new or higher taxes • Stricter sales and marketing controls impacting margins and market share • Punitive action from regulators or other legislative bodies • Increase to the cost of compliance to meet stricter or new regulatory requirements • Brand and reputation damage	• Continuous monitoring, assessment and appropriate implementation of new or changing laws and regulations • Dialogue with government representatives and input to public consultations on new or changing regulations • Development of compliance processes and training programmes for employees • Communication with public health stakeholders to tell our story on drinks in anticipation of potential regulatory pressures	⇆

Link to strategy

Great people | Great service | Great beverages | Done sustainably

Risk change

An indication of the current change of each principal risk relative to the prior year.

↑ Increased | ⇆ Stable | ↓ Decreased

Principal risks continued

Principal risk	Strategic objective	Description (What is the risk?)	Causal factors themes (What gives rise to the risk?)	Consequence themes (Potential impact of the risk)	Key control mitigations (How we manage it)	Change
Business disruption		The risk of prolonged, large scale natural and/or man made disruptive events	• Cyber attack or IT/operational technology system failure • Pandemics • Extreme weather events (floods, fires) • Natural disasters • Civil unrest, war and terrorism	• Disruption to supply chains/ operations • Safety and wellbeing of our people • Brand and reputation damage • Financial impact	• Development, testing and continual improvement of Business Continuity Planning (BCP) through implementation of the BCP elements of TCCC's Business Resilience Framework • Training and awareness to build Business Continuity and Resilience capabilities across our sites and processes and improve our response to incidents • Scenario planning exercises and Business Impact Assessments to analyse and identify critical people (roles), property, technology, equipment and suppliers (value chain) • Coordination, continuous improvement and testing of our Incident Management and Crisis Response process	⇆
Cyber and social engineering attacks and IT infrastructure		The risks related to the protection of information systems and data from unauthorised access, misuse, disruption, modification, or destruction	• External attackers seeking to ransom or disrupt systems and data • Dependency on third parties • Internal misuse (malicious or accidental) • Security and maintenance of IT infrastructure and applications	• Financial impact from disruption to operations or fines • Safety and wellbeing of employees, customers or business partners who may have their personal information stolen • Brand and reputation damage	• Established cyber strategy with engagement of the ELT and Board • Conducting regular training and awareness on information security and data privacy • Development of BCP and Disaster Recovery programmes including regular internal and external testing of security controls to identify and resolve vulnerabilities • Threat vulnerability management and threat intelligence • Implementation of a hardware lifecycle • Security event logging and management through a Global Security Operations Centre operating 24/7 to proactively monitor cyber threats and implement preventive measures • Completion of third party risk assessments • Established Data Privacy Office including data governance and information classification and handling • IT change management process	⇆

Link to strategy

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Risk change

An indication of the current change of each principal risk relative to the prior year.

↑ Increased | ⇆ Stable | ↓ Decreased

Principal risks continued

Principal risk	Strategic objective	Description (What is the risk?)	Causal factors themes (What gives rise to the risk?)	Consequence themes (Potential impact of the risk)	Key control mitigations (How we manage it)	Change
Economic and political conditions		The risks associated with operating in volatile and challenging macroeconomic and geopolitical conditions	• Low economic growth or recession • High currency and commodity price volatility • High inflation • Political instability/conflict • Civil unrest	• Financial impact from reduced demand from consumers and an increasing cost base • Disruption to supply chains from sanctions or impact on shipping/trade routes	• Diversified product portfolio and geographic diversity of operations assists in mitigating exposure to localised economic risk • Development of a flexible business model that allows us to adapt our portfolio to suit our customers' changing needs during economic downturns • Regular review of business results and cash flows to rebalance capital investments where necessary • Monitoring of macroeconomic, political and societal developments to ensure that business is prepared to manage emerging situations • Established hedging policy for managing financial risks like FX, commodity and interest rate risks • Keeping a strong level of liquidity and back up credit lines at all times for working capital purposes as well as unexpected cash flow swings	
Market		The risks to maintaining the relationships with our customers and consumers to meet their changing demands, needs and expectations	• New distribution channels and platforms • Changing customer and consumer habits • Changes in the competitive landscape • Legislative and regulatory changes	• Financial impact from reduced demand from consumers • Decreasing margins and market share • Inability to meet strategic objectives • Brand and reputation damage	• Conducting shopper insights and price elasticity assessments • Investing in pack and product innovation • Established promotional strategy • Development of commercial policy • Collaborative category planning with customers • Development of growth centric customer investment policies • Established business development plans aligned with our customers • Diversification of portfolio and customer base • Development of realistic budgeting routines and targets • Investment in key account development and category planning • Open up new route to market opportunities, for example eB2B and platforms/direct to consumer	

Link to strategy

Great people | Great service | Great beverages | Done sustainably

Risk change

An indication of the current change of each principal risk relative to the prior year.

Increased | Stable | Decreased

Principal risks continued

Principal risk	Strategic objective	Description (What is the risk?)	Causal factors themes (What gives rise to the risk?)	Consequence themes (Potential impact of the risk)	Key control mitigations (How we manage it)	Change
Climate change and water Read about TCFD on pages 28-37		The risks and opportunities associated with managing the impacts of climate change and water scarcity across our value chain	• GHG emissions across our value chain, including emissions from our production facilities, cold drinks equipment, the transportation of our products, packaging and the ingredients that we use, and storage of our products • Scarcity of water and water quality issues related to water sources we and our suppliers rely upon • Regulatory and legislative initiatives aimed at reducing GHG emissions • Changing consumer and investor preferences	• Brand and reputation damage from not meeting sustainability targets • Financial impacts from future carbon taxes and the transition costs to low GHG emissions • Regulatory and compliance impacts related to TCFD disclosures	• Development of the climate pillar within our This is Forward sustainability action plan including our short-term and long-term GHG emissions reduction targets to reduce our absolute Scope 1, 2 and 3 GHG emissions by 30% by 2030 (vs 2019), and to achieve Net Zero by 2040. Our strategy outlines the management actions and key mitigations taken to manage this risk. More information can be found in our Forward on climate section on pages 38-41 • Development of the water pillar within our This is Forward sustainability action plan which sets out targets for water efficiency, regenerative water use and water replenishment and outlines management actions and key mitigations taken to manage risk. More information can be found in our Forward on water section on pages 46-48 • Transition to 100% renewable electricity aiming to achieve this across all markets by 2030 • Supplier engagement programme to support suppliers to set their own reduction targets and transition to use renewable electricity	⇆
Perceived health impact of our beverages (including ingredients), and changing customer buying trends		The risks relating to our ability to effectively adapt and respond to changes in consumer preferences and behaviour towards our products	• Legislative changes driven by government or lobby groups • External marketing campaigns towards alternative ingredients/products • Publication of guidelines or recommendations related to sugar consumption or additives by WHO or other health authorities • Increased media scrutiny and social media coverage impacting consumer perception • Viability of alternatives to sugar, sweeteners and other ingredients within our product portfolio	• Financial impacts from decline in sales volumes and market share (delisting, demand decrease) • Increased regulatory scrutiny • Increased taxes on our products • Damage to brand and reputation	• Development of the drinks pillar within our This is Forward sustainability action plan to support the recommendation by several leading health authorities, including WHO, that people should limit their intake of added sugar to 10% of their total calorie consumption. More information can be found in our Forward on drinks section on pages 53-55 • Support TCCC, EU or National associations on strong advocacy regarding no and low-calorie sweeteners and processed food	⇆

Link to strategy

Great people | Great service | Great beverages | Done sustainably

Risk change

An indication of the current change of each principal risk relative to the prior year.

↑ Increased | ⇆ Stable | ↓ Decreased

Principal risks continued

Principal risk	Strategic objective	Description (What is the risk?)	Causal factors themes (What gives rise to the risk?)	Consequence themes (Potential impact of the risk)	Key control mitigations (How we manage it)	Change
Business transformation, integration and digital capability	Great people, Great service	The risks relating to the execution of our strategic and continuous improvement initiatives	• Digital transformation • Identification and execution of supply chain improvements • Relationships with our partners and franchisors • Ineffective coordination between BUs and central functions • Change management failure • Diversion of management's focus away from our core business	• Damage to brand and reputation • Financial impacts from a decline in our share price arising from not realising the value creation from these initiatives • Industrial action and disruption to our operations	• Solid governance model in place leveraging Competitiveness Steering Committee for enterprise wide transformation • Regular competitiveness reviews ensuring effective steering, high visibility and quick decision making • Dedicated programme management office and effective project management methodology • Continuation of strong governance routines • Regular ELT and Board reviews and approvals of progress and issue resolution • Analysis and review of Acquisition-related activities such as integration and business performance risk indicators and capital allocation risk reviews • Building a well functioning and resilient workforce with priority focus on health and safety, and mental wellbeing initiatives, especially in frontline roles	Stable
People and wellbeing	Great people	The risks relating to the identification, attraction, development, and retention of talent. Also risks relating to the wellbeing of our people (including human rights and modern slavery)	• Job design and working conditions • Reward and recognition • Misconduct by third parties relating to human rights	• Damage to brand and reputation • Financial impacts from a decline in employee engagement and productivity • Industrial action and disruption to our operations • Punitive action from regulators or other legislative bodies and potential for litigation	• Development of our people strategy, Me@CCEP, which sets out the diversity, inclusion, wellbeing and human rights targets, management actions and the key mitigations taken to manage this risk. More information can be found in our Forward on society – people section on pages 58-63 • Our Everyone's Welcome philosophy sets out our commitment to inclusion, diversity and equity. The Everyone's Welcome playbook is the blueprint for countries and functions to align campaigns, training and tracking mechanisms • We have set up a strong policy framework, regular training and supplier management to strengthen our human rights commitments, such as modern slavery	Stable
Relationships with TCCC and other franchisors	Great beverages	The risk of misaligned incentives or strategy with TCCC and/or other franchisors	• Lack of effective engagement, communication and/or discussion with franchisors	• Damage to brand and reputation • Financial impacts, including as a result of TCCC or other franchisors acting adversely to our interests with respect to our business relationship	• Clear agreements govern the relationships • Incidence pricing agreement with TCCC • Aligned long range planning and annual business planning processes • Ongoing group and local routines between CCEP and franchisors • Regular meetings and maintenance of positive relationships at all levels • Regular contact and best practice sharing across the Coca-Cola system	Stable

Link to strategy

Great people | Great service | Great beverages | Done sustainably

Risk change

An indication of the current change of each principal risk relative to the prior year.

Increased | Stable | Decreased

Principal risks continued

Principal risk	Strategic objective	Description (What is the risk?)	Causal factors themes (What gives rise to the risk?)	Consequence themes (Potential impact of the risk)	Key control mitigations (How we manage it)	Change
Product quality		The risks relating to ensuring the wide range of products we produce are safe for consumption and adhere to strict food safety and quality requirements	• A failure in food safety, food quality, food defence or food fraud processes	• Physical harm to consumers • Damage to brand and reputation • Financial impacts from a decline in sales volume and market share	• TCCC standards and audits • Hygiene regimes at production facilities • Total quality management programme • Robust management systems • ISO Certification • Internal governance audits • Quality monitoring programme • Customer and consumer monitoring and feedback • Incident management and crisis resolution • Every CCEP production facility has: – a hazard analysis critical control points assessment and mitigation plan in place – a quality monitoring plan based on risk and requirements – a food fraud vulnerability assessment and mitigation plan based risk and requirements – a food defence threat assessment and mitigation plan based on risk and requirements	⇆

Internal control procedures and risk management

CCEP's internal controls are designed to manage rather than eliminate risk, and aim to mitigate risk of fraud and misstatements.

In addition to management responsibility, the Board has overall responsibility for the Company's system of internal controls and for reviewing its adequacy and effectiveness. To discharge its responsibility in a manner that complies with law and regulation and promotes effective and efficient operation, the Board has established clear operating procedures, lines of responsibility and delegated authority.

The Audit Committee has specific responsibility for reviewing the internal control policies and procedures associated with the identification, assessment and reporting of principal and emerging risks to check they are adequate and effective.

Our internal control processes include:

- Board approval for significant projects, transactions and corporate actions
- Either senior management or Board approval for all major expenditure at the appropriate stages of each transaction
- Regular reporting covering both technical progress and our financial affairs
- Board review, identification, evaluation and management of significant risks

Read more about our approach to internal control and risk management in the Audit Committee report on pages 112-116

Link to strategy

Great people | Great service | Great beverages | Done sustainably

Risk change

An indication of the current change of each principal risk relative to the prior year.

↑ Increased | ⇆ Stable | ↓ Decreased

Viability statement

In accordance with provision 31 of the 2018 UK Corporate Governance Code (the UKCGC), the Directors have assessed the prospects for the Group. The Directors have made this assessment over a period of three years, which corresponds to the Group's planning cycle.

The assessment considered the Group's prospects related to revenue, operating profit, EBITDA and free cash flow. The Directors considered the maturity dates of the Group's debt obligations and its access to public and private debt markets, including its committed multi currency credit facility. The Directors also carried out a robust review and analysis of the principal risks facing the Group, including those risks that could materially and adversely affect the Group's business model, future performance, solvency and liquidity.

Stress testing was performed on a number of scenarios, including different estimates for operating profit and free cash flow. Among other considerations, these scenarios incorporated the potential downside impact of the Group's principal risks, including those related to:

- Business disruption events, including pandemics
- Legal and regulatory intervention, including in relation to plastic packaging
- Risk of cyber and social engineering attacks
- Economic and political uncertainty
- Climate change and water

Based on the Group's current financial position, stable cash generation and access to liquidity, the Directors concluded that the Group is well positioned to manage principal risks and potential downside impacts of such risks materialising, to ensure solvency and liquidity over the assessment period.

From a qualitative perspective, the Directors also took into consideration the Group's past experience of managing through adverse conditions and the Group's strong relationship and position within the Coca-Cola system. The Directors considered the extreme measures the Group could take in the event of a crisis, including decreasing or stopping non-essential capital investment, decreasing or stopping shareholder dividends, renegotiating commercial terms with customers and suppliers or selling non-essential assets.

Based upon the assessment performed, the Directors confirm that they have a reasonable expectation the Group will be able to continue in operation and meet all liabilities as they fall due over the three year period covered by this assessment.

Non-financial and sustainability information statement

This Integrated Report contains a combination of financial and non-financial reporting throughout. As required by sections 414CA and 414CB of the Companies Act 2006 (the Companies Act), the following non-financial and sustainability information can be found as stated in the table below. These pages contain, where appropriate, details of our policies and approach to each matter.

Non-financial and sustainability information	Page(s)
Environmental matters	TCFD on pages 28-37
	Forward on climate on pages 38-41
	Forward on packaging on pages 42-45
	Forward on water on pages 46-48
	Forward on supply chain on pages 49-52
Employee matters	Our stakeholders on pages 14-17
	Forward on society – people on pages 58-63
Social matters	Forward on society – communities on pages 56-57
Human rights	Forward on society – people on page 63
Anti-corruption and anti-bribery matters	Forward on society – people on page 62
Our business model	Our business model on page 6
Risk and principal risks	Principal risks on pages 64-71
	Risk factors on pages 223-229
Non-financial performance indicators	Sustainability performance indicators on page 9
Climate-related financial information	Sustainability performance indicators on page 9
	Taking action on sustainability and TCFD on pages 26-63
	Principal risks on pages 64-71
	Sustainability key performance data summary on pages 249-252

Business and financial review

Our business

CCEP is a leading consumer goods group in Western Europe and the Asia Pacific region, making, selling and distributing an extensive range of primarily non-alcoholic ready to drink beverages. We make, move and sell some of the world's most loved brands – serving 600 million consumers and helping 2 million customers across 29 countries grow. We combine the strength and scale of a large, multi-national business with an expert, local knowledge of the customers we serve and communities we support.

Note regarding the presentation of pro forma financial information and alternative performance measures

Pro forma financial information

Pro forma financial information has been provided in order to illustrate the effects of the acquisition of Coca-Cola Amatil Limited (the Acquisition; referred to as CCL pre-Acquisition, API post-Acquisition) on the results of operations of CCEP in 2021 and allow for greater comparability of the results of the combined Group between periods. The pro forma financial information for 2021 has been prepared for illustrative purposes only and because of its nature, addresses a hypothetical situation. It is based on information and assumptions that CCEP believes are reasonable, including assumptions as at 1 January 2021 relating to Acquisition accounting provisional fair values of API assets and liabilities which are assumed to be equivalent to those that have been provisionally determined as of the Acquisition date and included in the financial statements for the year ended 31 December 2021, on a constant currency basis. The pro forma information for 2021 also assumes the interest impact of additional debt financing reflecting the actual weighted average interest rate for acquisition financing of c.0.40% for 2021.

The pro forma financial information does not intend to represent what CCEP's results of operations actually would have been if the Acquisition had been completed on the dates indicated, nor does it intend to represent, predict or estimate the results of operations for any future period or financial position at any future date. In addition, it does not reflect ongoing cost savings that CCEP expects to achieve as a result of the Acquisition or the costs necessary to achieve these cost savings or synergies. As pro forma information is prepared to illustrate retrospectively the effects of future transactions, there are limitations that are inherent to the nature of pro forma information. As such, had the Acquisition taken place on the dates assumed, the actual effects would not necessarily have been the same as those presented in the pro forma financial information contained herein.

Alternative performance measures

We use certain alternative performance measures (non-GAAP performance measures) to make financial, operating and planning decisions and to evaluate and report performance. We believe these measures provide useful information to investors and as such, where clearly identified, we have included certain alternative performance measures in this document to allow investors to better analyse our business performance and allow for greater comparability. To do so, we have excluded items affecting the comparability of period over period financial performance as described below. The alternative performance measures included herein should be read in conjunction with and do not replace the directly reconcilable GAAP measures.

For purposes of this document, the following terms are defined:

"As reported" are results extracted from our consolidated financial statements.

"Pro forma" includes the results of CCEP and API as if the Acquisition had occurred at the beginning of 2021, including acquisition accounting adjustments relating to provisional fair values. Pro forma also includes the impact of the additional debt financing costs incurred by CCEP in connection with the Acquisition for all periods presented.

"Comparable" is defined as results excluding items impacting comparability, which include restructuring charges, acquisition and integration-related costs, inventory fair value step up related to acquisition accounting, the impact of the closure of the GB defined benefit pension scheme, the net impact related to European flooding, income arising from the favourable court ruling pertaining to the ownership of certain mineral rights in Australia, the impact of a defined benefit plan amendment arising from legislative changes in respect of the minimum retirement age and net tax items relating to rate and law changes. Comparable volume is also adjusted for selling days.

"Pro forma comparable" is defined as the pro forma results excluding items impacting comparability, as described above.

"FX neutral" is defined as period results excluding the impact of foreign exchange rate changes. Foreign exchange impact is calculated by recasting current year results at prior year exchange rates.

"Capex" or **"Capital expenditures"** is defined as purchases of property, plant and equipment and capitalised software, plus payments of principal on lease obligations, less proceeds from disposals of property, plant and equipment. Capex is used as a measure to ensure that cash spending on capital investments is in line with the Group's overall strategy for the use of cash.

"Free cash flow" is defined as net cash flows from operating activities less capital expenditures (as defined above) and interest paid. Free cash flow is used as a measure of the Group's cash generation from operating activities, taking into account investments in property, plant and equipment and non-discretionary lease and interest payments. Free cash flow is not intended to represent residual cash flow available for discretionary expenditures.

"Adjusted free cash flow" is defined as free cash flow (as defined above) adjusted for items that are not reasonably likely to recur within two years, nor have occurred within the prior two years. Adjusted free cash flow is not intended to represent residual cash flow available for discretionary expenditures. We believe that reporting adjusted free cash flow is useful as it allows for better period over period comparability, excluding the impact of items that are unusual in nature. Refer to page 81 for additional information.

"Adjusted EBITDA" is calculated as Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA), after adding back items impacting the comparability of period over period financial performance. Adjusted EBITDA does not reflect cash expenditures, or future requirements for capital expenditures or contractual commitments. Further, adjusted EBITDA does not reflect changes in, or cash requirements for, working capital needs, and although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised are likely to be replaced in the future and adjusted EBITDA does not reflect cash requirements for such replacements.

Business and financial review continued

"Net Debt" is defined as the net of cash and cash equivalents and short-term investments less borrowings and adjusted for the fair value of hedging instruments related to borrowings and other financial assets/liabilities related to borrowings. We believe that reporting net debt is useful as it reflects a metric used by the Group to assess cash management and leverage. In addition, the ratio of net debt to adjusted EBITDA is used by investors, analysts and credit rating agencies to analyse our operating performance in the context of targeted financial leverage.

"ROIC" or **"Return on invested capital"** is defined as comparable operating profit after tax attributable to shareholders divided by the average of opening and closing invested capital for the year. Invested capital is calculated as the addition of borrowings and equity attributable to shareholders less cash and cash equivalents and short-term investments. ROIC is used as a measure of capital efficiency and reflects how well the Group generates comparable operating profit relative to the capital invested in the business.

"Dividend payout ratio" is defined as dividends as a proportion of comparable profit after tax.

Forward-looking alternative performance measures

Within this report, we provide certain forward-looking non-GAAP financial information, which management uses for planning and measuring performance. We are not able to reconcile forward-looking non-GAAP measures to reported measures without unreasonable efforts because it is not possible to predict with a reasonable degree of certainty the actual impact or exact timing of items that may impact comparability throughout year.

Unless otherwise stated, percent amounts are rounded to the nearest 0.5%.

All pro forma measures presented below relate only to the full year ended 31 December 2021.

Key financial measures[A] Reported to Pro forma comparable Unaudited. FX impact calculated by recasting current year results at prior year rates	Year ended 31 December 2022						
	€ millions			% change vs prior year			
	As reported	Comparable	FX impact	As reported	Pro forma comparable	Pro forma FX impact	Pro forma comparable FX neutral
Revenue	17,320	17,320	172	26.0%	17.0%	1.5%	15.5%
Cost of sales	11,096	11,066	107	26.0%	20.0%	1.0%	19.0%
Operating expenses	4,234	4,094	45	18.5%	13.5%	1.5%	9.0%
Other income	96			n/a	n/a	n/a	n/a
Operating profit	2,086	2,138	22	37.5%	13.5%	1.0%	12.5%
Profit after taxes	1,521	1,564	15	54.0%	14.0%	1.0%	13.0%
Diluted earnings per share (€)	3.29	3.39	0.03	53.0%	14.0%	1.0%	13.0%

(A) See Supplementary financial information - Income Statement on pages 83-85 for a reconciliation of reported to comparable and reported to pro forma comparable results.

Financial highlights

In 2022, the uncertain macroeconomic environment led us to navigate unprecedented commodity inflation, higher energy and transportation prices and industry-wide supply chain constraints. However, our focus on in-market execution, promotional optimisation and the successful implementation of dynamic headline pricing strategies across our markets, resulted in strong revenue growth and value share gains. We also benefited from the continued recovery of the AFH channel and the return of travel and tourism with further growth in the home channel. Despite inflationary pressures, higher concentrate costs and continued investment in our capabilities, we delivered strong operating profit growth. This translated into strong free cash flow generation and enabled us to continue to return cash to shareholders, as demonstrated by the dividend paid in the year.

The net impact of 2022 performance on our key financial measures[A] can be summarised as follows:

- Reported revenue totalled €17.3 billion, up 26.0% on a reported basis and 15.5% on a pro forma comparable and FX neutral basis.
- Volume increased 17.5% on a reported basis and 9.5% on a pro forma comparable basis. Revenue per unit case increased 6.0% on a pro forma comparable and FX neutral basis.
- Reported operating profit was €2.1 billion, up 37.5%, or up 12.5% on a pro forma comparable and FX neutral basis.
- Reported diluted earnings per share were €3.29 or €3.39 on a comparable basis, up 13.0% on a pro forma comparable and FX neutral basis.
- Net cash flows from operating activities were €2.9 billion. Full year adjusted free cash flow[B] was €1.8 billion.

(A) See Supplementary financial information - Income Statement on pages 83-85 for a reconciliation of reported to comparable and reported to pro forma comparable results.
(B) See Liquidity and capital management on pages 80-82 for a reconciliation between net cash flows from operating activities and adjusted free cash flow.

Business and financial review continued

Operational review

Revenue

Revenue totalled €17.3 billion, up 26.0% versus prior year on a reported basis, and 24.5% on a comparable and FX neutral basis, reflecting the full year impact of the API operations acquired in 2021. Revenue was up 15.5% on a pro forma comparable and FX neutral basis. Revenue per unit case increased by 6.0% in 2022 on a pro forma comparable and FX neutral basis. Volume increased 9.5% on a pro forma comparable basis.

	Year ended 31 December 2022					
Revenue[A] in millions of €	**As reported**	**Comparable**	**Reported % change**	**FX neutral % change**	**Pro forma comparable % change**	**Pro forma FX neutral % change**
Europe	13,529	13,529	17.0%	16.5%	17.0%	16.5%
API	3,791	3,791	74.0%	66.5%	14.0%	12.0%
Total CCEP	**17,320**	**17,320**	**26.0%**	**24.5%**	**17.0%**	**15.5%**

(A) See Supplementary financial information - Income Statement on pages 83-85 for a reconciliation of reported to comparable and reported to pro forma comparable results.

	Year ended 31 December		
Comparable volume – selling day shift CCEP In millions of unit cases, prior period volume recast using current year selling days[A]	**2022**	**2021**	**% change**
Volume	**3,300**	**2,804**	**17.5%**
Impact of selling day shift	n/a	(7)	n/a
Comparable volume – Selling day shift adjusted	**3,300**	**2,797**	**18.0%**
Pro forma impact API	—	212	n/a
Pro forma comparable volume	**3,300**	**3,009**	**9.5%**

(A) A unit case equals approximately 5.678 litres or 24 eight ounce servings, a typical volume measure used in our industry.

Volumes were up 17.5% on a reported and 18.0% on a comparable basis, reflecting the full year impact of the API operations acquired in 2021. Pro forma comparable volume was up 9.5% versus 2021. This reflects the solid recovery of the AFH channel and continued growth in the home channel across our markets. The most significant impact was in the AFH channel where volumes increased by 18.5% for the year, on a pro forma comparable basis. We experienced improvement in volumes reflecting fewer restrictions and increased mobility. The return of tourism and favourable weather in Europe also supported the strong recovery of this channel. Trading in the home channel increased throughout the year with full year volume growth of 4.0% on a pro forma comparable basis, although disruption related to a customer negotiation impacted the fourth quarter of 2022. From a package perspective, immediate consumption grew across both channels as mobility increased with fewer restrictions. The volume of future consumption packs such as large PET and multipack cans grew during the year, particularly in the home channel.

	Year ended 31 December		
Comparable volume by category Change versus prior period on a pro forma comparable basis	**2022 % of total**	**2021 % of total**	**% change**
Sparkling	**84.5%**	**84.5%**	**9.0%**
Coca-Cola™	66.5%	59.0%	8.0%
Flavours, mixers and energy	26.0%	25.5%	11.5%
Stills	**15.5%**	**15.5%**	**11.5%**
Hydration	8.0%	7.5%	16.0%
RTD tea, RTD coffee, juices and other[A]	7.5%	8.0%	7.0%
Total	**100.0%**	**100.0%**	**9.5%**

(A) RTD refers to ready to drink; Other includes alcohol and coffee.

On a brand category basis in 2022, Coca-Cola trademark volume increased by 8.0% versus 2021 on a pro forma comparable basis. This increase reflected the growth in Coca-Cola Original Taste and Lights driven by the continued rebound of the AFH channel and strong performance of Coca-Cola Zero Sugar, with volumes ahead of 2021 (up 10.0%) supported by our new taste and new look campaign last year.

Flavours, mixers and energy volume increased by 11.5% versus 2021 on a pro forma comparable basis. Energy volumes were up 18.5% versus 2021, supported by increased distribution in both channels and strong innovation. Fanta and Sprite grew volume driven by the continued rebound of the AFH channel.

Hydration volume increased by 16.0% versus 2021 on a pro forma comparable basis. Water volume increased by 13.5% reflecting its exposure to immediate consumption across both channels, supported by the rebound of the AFH channel and increased mobility. Sports volume increased by 23.0%, reflecting growth in both Europe and API.

RTD teas, RTD coffees, juices and other drinks volume increased by 7.0% versus 2021 on a pro forma comparable basis. Juice drinks grew volume reflecting the continued rebound of the away from home channel partially offset by SKU rationalisation in Indonesia. Fuze Tea volumes increased as the brand continues to grow value share in Europe. Alcohol continues to deliver strong growth in Australia driven by spirits and ready to drink beverages.

Business and financial review continued

Revenue by segment: Europe

Revenue Europe

In millions of €, except per case data which is calculated prior to rounding. FX impact calculated by recasting current year results at prior year rates.

	Year ended 31 December		
	2022	2021	% change
As reported	**13,529**	**11,584**	**17.0%**
Adjust: Impact of FX changes	(6)	n/a	n/a
FX neutral	**13,523**	**11,584**	**16.5%**
Revenue per unit case	**5.14**	**4.87**	**5.5%**

Revenue in Europe totalled €13.5 billion, up 17.0% versus prior year on a reported basis, and 16.5% on an FX neutral basis. Revenue per unit case in Europe increased by 5.5% in 2022, on a comparable and FX neutral basis, reflecting positive package and channel mix driven by the improvement in AFH volume, and favourable headline price following the successful implementation of dynamic headline pricing strategies across our markets.

Revenue by geography

In millions of €

	Year ended 31 December 2022		
	As reported	Reported % change	FX neutral % change
Great Britain	3,088	18.0%	17.5%
Germany	2,682	15.0%	15.0%
Iberia[A]	3,034	21.5%	21.5%
France[B]	2,089	15.0%	15.0%
Belgium and Luxembourg	1,042	12.5%	12.5%
Netherlands	682	22.5%	22.5%
Norway	104	3.5%	2.5%
Sweden	421	12.5%	17.5%
Iceland	87	10.0%	4.0%
Total Europe	**13,529**	**17.0%**	**16.5%**

(A) Iberia refers to Spain, Portugal and Andorra.
(B) France refers to continental France and Monaco.

Reported revenue in Great Britain was up 18.0% versus 2021. Foreign exchange translation positively impacted revenue growth by 0.5%.The additional increase in revenue was mainly driven by the continued recovery of the AFH channel supported by favourable weather and domestic tourism. Further growth in the home channel supported double digit volume growth versus 2019. From a category perspective, Coca-Cola Zero Sugar, Fanta, Monster and Dr Pepper showed strong volume growth. Additionally, revenue per unit case growth was driven by favourable underlying price, alongside positive pack mix led by the recovery of the AFH channel, including growth of 20.5% in small glass and 15.0% in small PET.

Reported revenue in Germany was up 15.0% versus 2021. Volume was positively impacted mainly by favourable weather and improvement in the AFH channel. The home channel saw solid performance versus prior year. From a category perspective, Coca-Cola Zero Sugar, Fuze Tea and Monster showed strong volume growth. Additionally, revenue per unit case growth was driven by positive brand mix from Monster, as well as favourable underlying price and positive pack and channel mix.

Reported revenue in Iberia was up 21.5% versus 2021. This was mainly driven by the recovery of the AFH channel, supported by the return of travel and tourism and favourable weather, reflecting solid volume growth. Despite good trading in the home channel, volume growth versus 2019 was impacted by the increased Spanish VAT rate. From a category perspective, Coca-Cola Zero Sugar and Monster showed strong volume growth. Additionally, revenue per unit case growth was positively impacted by package and channel mix given the ongoing recovery of the AFH channel in addition to favourable underlying price.

Reported revenue in France was up 15.0% versus 2021. This was mainly driven by an increase in volume due to the rebound of the AFH channel, supported by the return of tourism and favourable weather and continued solid growth in the home channel. From a category perspective, Coca-Cola Zero Sugar, Fuze Tea and Monster continued to grow volume. Additionally, revenue per unit case growth was supported by positive channel and pack mix led by the recovery of the AFH channel, including growth of 55.5% in small glass and 25.0% in small PET, as well as favourable underlying price.

Reported revenue in the Northern European territories (Belgium, Luxembourg, the Netherlands, Norway, Sweden and Iceland) was up 13.0% versus 2021. Foreign exchange translation negatively impacted revenue growth by 0.5%. The increase in revenue was mainly driven by the rebound in the AFH channel, despite the late removal of restrictions, and further growth in the home channel. From a category perspective, Coca-Cola Zero Sugar, Monster and Fuze Tea showed strong volume growth. Additionally, revenue per unit case growth increased as a result of favourable underlying price as well as positive channel and pack mix, including growth of 57.5% in small glass and 16.0% in small PET.

Business and financial review continued

Revenue by segment: API

Pro forma revenue API[A]

In millions of €, except per case data which is calculated prior to rounding. FX impact calculated by restating current year results at prior year rates.	Year ended 31 December 2022	2021	% change
As reported and comparable	**3,791**	**2,179**	**74.0%**
Add: Pro forma adjustments API		1,056	n/a
Pro forma comparable	**3,791**	**3,235**	**17.0%**
Adjust: Impact of FX changes	(166)	n/a	n/a
Pro forma comparable and FX neutral	**3,625**	**3,235**	**12.0%**
Pro forma revenue per unit case	**5.42**	**5.05**	**7.5%**

(A) See Supplementary financial information - Income Statement on pages 83-85 for a reconciliation of reported to comparable and reported to pro forma comparable results.

Reported revenue in API totalled €3.8 billion, and was up 17.0% versus 2021 on a pro forma comparable basis, or up 12.0% on a pro forma comparable and FX neutral basis. Revenue per unit case increased by 7.5% in 2022, on a pro forma comparable and FX neutral basis. Volume increased 5.0% on a pro forma comparable basis driven by increased consumer mobility and the successful navigation of industry-wide supply constraints, as well as a record Ramadan period in Indonesia.

Pro forma revenue by Geography[A] In millions of €	Year ended 31 December 2022 As reported	Pro forma comparable % change	Pro forma FX neutral % change
Australia	2,339	16.5%	17.0%
New Zealand and Pacific Islands	649	17.0%	15.0%
Indonesia and Papua New Guinea	803	23.0%	12.5%
Total API	**3,791**	**17.0%**	**12.0%**

(A) See Supplementary financial information - Income Statement on pages 83-85 for a reconciliation of reported to comparable and reported to pro forma comparable results.

Revenue in the Australia, Pacific and Indonesian territories (Australia, New Zealand and Pacific Islands, Indonesia and Papua New Guinea) was up 17.0% versus 2021 on a pro forma comparable basis. Foreign exchange translation positively impacted revenue growth by 5.0%. The additional increase in revenue was mainly driven by increased mobility in the away from home channel in all markets and solid performance in the home channel. Coca-Cola No Sugar and Monster grew volume above 2019 levels. Additionally, revenue per unit case increased on a pro forma comparable and FX neutral basis, as a result of positive package and channel mix, promotional optimisation in Australia and underlying favourable price.

Cost of sales

Reported cost of sales totalled €11.1 billion, up 28.0% versus prior year on a reported basis, and 27.5% on a comparable FX neutral basis, reflecting the full year impact of the API operations acquired in 2021. On a pro forma comparable basis cost of sales was up 20.0% vs prior year, or up 19.0% on a pro forma comparable and FX neutral basis, driven in part by volume growth. Cost of sales per unit case increased by 9.0% on a pro forma comparable and FX neutral basis.

Pro forma cost of sales[A]

In millions of €, except per case data which is calculated prior to rounding. FX impact calculated by restating current year results at prior year rates.	Year ended 31 December 2022	2021	% change
As reported	**11,096**	**8,677**	**28.0%**
Add: Pro forma adjustments API	—	616	n/a
Adjust: Total items impacting comparability	(8)	(71)	
Pro forma comparable	**11,088**	**9,222**	**20.0%**
Adjust: Impact of FX changes	(107)	n/a	n/a
Pro forma comparable and FX neutral	**10,981**	**9,222**	**19.0%**
Cost of sales per unit case	**3.33**	**3.05**	**9.0%**

(A) See Supplementary financial information – Income Statement on pages 83-85 for reconciliation of reported to comparable and reported to pro forma comparable results.

Cost of sales in Europe increased in part due to higher volume, up 11.0% versus 2021 on a comparable basis. Cost of sales per unit case increased as well, primarily driven by unprecedented levels of commodity inflation. PET and aluminium were the main drivers of commodity inflation, though hedging throughout the year provided some protection from market volatility. Higher energy and transportation prices also resulted in increased conversion and manufacturing costs. Dynamic headline pricing strategies were implemented across our markets in response to these inflationary pressures, and increased revenue per unit case as a result of the recovery of the AFH channel, as well as promotional optimisation and favourable underlying price, in turn, increased concentrate costs. Mix was also adverse driven mainly by continued volume growth in Energy and cans, partially offset by the favourable recovery of fixed manufacturing costs given the increased volume.

Cost of sales in API also increased reflecting higher volumes, up 5.0% versus 2021 on a pro forma comparable basis, similar inflationary pressures on commodities, transportation and freight, and increased revenue per unit case. Global supply chain challenges continued this year, and successful navigation of these industry-wide supply chain constraints supported strong volume growth.

Business and financial review continued

Operating expenses

Reported operating expenses totalled €4.2 billion, up 18.5% versus prior year on a reported basis, and 19.5% on a comparable and FX neutral basis, reflecting the full year impact of the API operations acquired in 2021. On a pro forma comparable basis operating expenses were up 10.5% vs prior year, or up 9.0% on a pro forma comparable and FX neutral basis.

Pro forma operating expenses[A]

In millions of €. FX impact calculated by restating current year results at prior year rates.	Year ended 31 December 2022	2021	% change
As reported	**4,234**	**3,570**	**18.5%**
Add: Pro forma adjustments API		323	
Adjust: Transaction accounting adjustments		68	n/a
Adjust: Total items impacting comparability	(140)	(250)	
Pro forma comparable	**4,094**	**3,711**	**10.5%**
Adjust: Impact of FX changes	(45)	n/a	n/a
Pro forma comparable and FX neutral	**4,049**	**3,711**	**9.0%**

(A) See Supplementary financial information – Income Statement on pages 83-85 for reconciliation of reported to comparable and reported to pro forma comparable results.

With a third of operating expenses being variable in nature, comparable operating expenses in Europe grew as volume increased reflecting the reopening of the AFH channel, increased consumer mobility and the return of travel and tourism. Continued inflationary pressures on labour and haulage, and optimised investment in trade marketing expenses to support our top line growth were also drivers of the increase.

Similar to Europe, comparable operating expenses in API also reflected higher volumes, inflationary pressures on labour and haulage and increased investment in trade marketing expenses contributed to the growth in operating expenses.

Discretionary spend optimisation and the ongoing delivery of our previously announced multi-year efficiency programme supported a continued decline in operating expenses as a percent of revenue.

Restructuring

Restructuring charges of €19 million and €144 million were recognised within reported cost of sales and reported operating expenses, respectively, for the year ended 31 December 2022, which are primarily attributable to €82 million of expense recognised in connection with the transformation of the full service vending operations and related initiatives in Germany.

Restructuring charges of €17 million and €136 million were recognised within reported cost of sales and reported operating expenses, respectively, for the year ended 31 December 2021, related principally to the continuation of the Accelerate Competitiveness programme announced in October 2020. This programme relates to initiatives across Europe aimed at improving productivity through the use of technology enabled solutions. Restructuring charges in 2021 include €51 million of severance costs related to productivity initiatives within the commercial organisation in Iberia.

Effective tax rate

The reported effective tax rate was 22% and 29% for the years ended 31 December 2022 and 31 December 2021, respectively.

The decrease in the reported effective tax rate to 22% in 2022 (2021: 29%) is largely due to the remeasurement of deferred tax positions following the enactment of tax rate changes in the United Kingdom, the Netherlands and Indonesia in the prior period.

The comparable effective tax rate was 22% and 21% for the years ended 31 December 2022 and 31 December 2021, respectively.

Business and financial review continued

Return on invested capital

ROIC is used as a measure of capital efficiency and reflects how well the Group generates comparable operating profit relative to the capital invested in the business. For the year ended 31 December 2022, ROIC increased by 112 basis points on a pro forma basis, to 9.1%, versus 2021 reflecting the increase in comparable operating profit, and continued focus on capital allocation.

ROIC	Year ended 31 December		
In millions of €	2022	2021 Pro forma[C]	2021
Comparable operating profit[A]	**2,138**	**1,886**	**1,772**
Taxes[B]	(474)	(399)	(367)
Non-controlling interest	(13)	(12)	(8)
Comparable operating profit after tax attributable to shareholders	**1,651**	**1,475**	**1,397**
Opening borrowings less cash and cash equivalents and short-term investments[C]	11,675	12,498	5,664
Opening equity attributable to shareholders[C]	7,033	5,911	6,025
Opening invested capital	**18,708**	**18,409**	**11,689**
Closing borrowings less cash and cash equivalents and short-term investments	10,264	11,675	11,675
Closing equity attributable to shareholders	7,447	7,033	7,033
Closing invested capital	**17,711**	**18,708**	**18,708**
Average invested capital	**18,210**	**18,559**	**15,199**
ROIC	**9.1%**	**8.0%**	**9.2%**

(A) Reconciliation from reported operating profit to comparable operating profit and to pro forma comparable operating profit is included in Supplementary Financial Information – Income Statement on pages 83-85.
(B) Tax rate used is the comparable effective tax rate for the year (2022: 22%; 2021 pro forma: 21%; 2021: 21%).
(C) In light of the CCL acquisition and in order to provide investors with a more meaningful measure of capital efficiency for 2021, a pro forma ROIC measure has been presented. To derive this pro forma measure, opening borrowings, cash and cash equivalents and short-term investments, and equity attributable to shareholders have been extracted from the unaudited pro forma condensed combined statement of financial position as of 31 December 2020 prepared in connection with proposed financing of the CCL acquisition and furnished on Form 6-K on 20 April 2021, and adjusted for any associated acquisition accounting fair value adjustments in the period through to 31 December 2021. These adjustments include an increase in borrowings of €38 million and a decrease in equity attributable to shareholders of €18 million.

Liquidity and capital management

Liquidity

Liquidity risk is actively managed to ensure we have sufficient funds to satisfy our commitments as they fall due. Our sources of capital include, but are not limited to, cash flows from operating activities, public and private issuances of debt securities and bank borrowings. We believe our operating cash flow, cash on hand and available short-term and long-term capital resources are sufficient to fund our working capital requirements, scheduled borrowing payments, interest payments, capital expenditures, benefit plan contributions, income tax obligations and dividends to shareholders. Counterparties and instruments used to hold cash and cash equivalents are continuously assessed, with a focus on preservation of capital and liquidity.

The Group has amounts available for borrowing under a €1.95 billion multi currency credit facility with a syndicate of 13 banks. This credit facility matures in 2025 and is for general corporate purposes and supporting the Group's working capital needs. Based on information currently available, there is no indication that the financial institutions participating in this facility would be unable to fulfil their commitments to the Group as at the date of this report. The Group's current credit facility contains no financial covenants that would impact its liquidity or access to capital. As at 31 December 2022, the Group had no amounts drawn under this credit facility.

Net cash flows from operating activities were €2,932 million in 2022, an increase of 38.5%, or €815 million, from €2,117 million in 2021, reflecting the full year impact of the API operations acquired in 2021, the impact of increased revenue performance and working capital benefits. These cash flows were primarily generated from our operations and included restructuring cash outflows of €86 million.

In 2022, we continued to monitor our investment in capital expenditure programmes, given continued uncertainty. Our 2022 capital spend on property, plant and equipment and capitalised software as part of our business capability programme was €603 million, compared to €446 million in 2021.

Free cash flow generation for the year was strong totalling €2,057 million, or €1,805 million after adjusting for €252 million in cash proceeds received in December 2022 from the regional tax authorities in Bizkaia (Basque Region) in connection with an ongoing dispute regarding historical VAT amounts related to the period 2013-2016. A significant increase relative to our 2021 total of €1,460 million reflecting strong operating performance, the benefit of continued working capital initiatives and the full year impact of API operations.

Business and financial review continued

Free cash flow	Year ended 31 December	
In millions of €	2022	2021
Net cash flows from operating activities	**2,932**	**2,117**
Less: Purchases of property, plant and equipment	(500)	(349)
Less: Purchases of capitalised software	(103)	(97)
Add: Proceeds from sales of property, plant and equipment	11	25
Less: Payments of principal on lease obligations	(153)	(139)
Less: Interest paid, net	(130)	(97)
Free cash flow	**2,057**	**1,460**
Less: Proceeds received from Spanish VAT dispute	(252)	—
Adjusted free cash flow(A)	**1,805**	**1,460**

(A) In connection with the ongoing dispute in Spain regarding the refund of historical VAT amounts related to the period 2013-2016, during the year ended 31 December 2022, €252 million of cash proceeds were received from the regional tax authorities of Bizkaia (Basque Region). These proceeds are included within Group's net cash flows from operating activities for the year. Given the unusual nature of this item, and to allow for better period over period comparability of our free cash flow measure, adjusted free cash flow excludes the cash proceeds received from the Bizkaia tax authorities during this year.

In 2022, total borrowings decreased by €1,233 million. This was driven by repayments on third party borrowings of €938 million, repayment of euro commercial paper of €285 million and payments on the principal and interest from lease obligations of €167 million. Movement as a result of fair value hedges resulted in a decrease of borrowings by €161 million. All this was partially offset by additions and other movements on leases of €205 million and currency translation of €113 million. No new debt was issued during the year.

Repayments of bonds include repayments prior to maturity in January 2022 of €700 million 0.75% Notes due in February 2022. The following bonds were also repaid on maturity during the year: A$200 million 3.375% Notes 2022, repaid in March 2022; A$30 million 5.06% Notes 2022 and A$125 million 3.125% Notes 2022, both repaid in July 2022.

Capital management

The primary objective of our capital management strategy is to ensure strong ratings and to maintain appropriate capital ratios to support our business and maximise shareholder value. Our credit ratings are periodically reviewed by rating agencies. We regularly assess debt and equity capital levels against our stated policy for capital structure. Our capital structure is managed and, as appropriate, adjusted in light of changes in economic conditions and our financial policy.

Liquidity risk is actively managed to ensure we have sufficient funds to satisfy our commitments as they fall due. Our sources of capital include, but are not limited to, cash flows from operations, public and private issuances of debt securities and bank borrowings. We believe our operating cash flow, cash on hand and available short-term and long-term capital resources are sufficient to fund our working capital requirements, scheduled borrowing payments, interest payments, capital expenditures, benefit plan contributions, income tax obligations and dividends to shareholders. Counterparties and instruments used to hold cash and cash equivalents are continuously assessed, with a focus on preservation of capital and liquidity.

We also have amounts available for borrowing under a €1.95 billion multi currency credit facility (2021: €1.95 billion) with a syndicate of 13 banks. This credit facility matures in 2025 and is for general corporate purposes and supporting the Group's working capital needs. The current credit facility contains no financial covenants that would impact the Group's liquidity or access to capital. As at 31 December 2022, the Group had no amounts drawn under this credit facility.

Net debt	Year ended 31 December	
In millions of €	2022	2021
Total borrowings	11,907	13,140
Fair value of hedges related to borrowings(A)	(83)	(110)
Other financial assets/liabilities(A)	25	42
Adjusted total borrowings(A)	**11,849**	**13,072**
Less: cash and cash equivalents(B)	(1,387)	(1,407)
Less: short-term investments(C)	(256)	(58)
Net debt	**10,206**	**11,607**

Credit ratings		
As of 16 March 2023	Moody's	Fitch Ratings
Long-term rating	Baa1	BBB+
Outlook	Stable	Stable

Note: Our credit ratings can be materially influenced by a number of factors including, but not limited to, acquisitions, investment decisions and working capital management activities of TCCC and/or changes in the credit rating of TCCC. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

(A) Net debt includes adjustments for the fair value of derivative instruments used to hedge both currency and interest rate risk on the Group's borrowings. In addition, net debt also includes other financial assets/liabilities relating to cash collateral pledged by/to external parties on hedging instruments related to borrowings.
(B) Cash and cash equivalents as at 31 December 2022 and 31 December 2021, includes €102 million and €45 million, respectively, of cash in Papua New Guinea Kina. Presently, there are government-imposed currency controls which impact the extent to which the cash held in Papua New Guinea can be converted into foreign currency and remitted for use elsewhere in the Group.
(C) Short-term investments are term cash deposits with maturity dates when acquired of greater than three months and less than one year. These short-term investments are held with counterparties that are continually assessed with a focus on preservation of capital and liquidity. Short-term investments as at 31 December 2022 and 31 December 2021 includes €49 million and €44 million, respectively, of assets in Papua New Guinea Kina, subject to the same currency controls outlined above.

The ratio of net debt to adjusted EBITDA is used by investors, analysts and credit rating agencies to analyse our operating performance in the context of targeted financial leverage, and so we provide a reconciliation of this measure. Net debt enables investors to see the economic effect of total borrowings, fair value impact of related hedges and other financial assets/liabilities, cash and cash equivalents and short-term investments in total. Adjusted EBITDA is calculated as EBITDA after adding back items impacting the comparability of year over year financial performance.

Adjusted EBITDA does not reflect our cash expenditures, or future requirements for capital expenditures or contractual commitments. Further, adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs and, although depreciation and amortisation are non-cash charges, the assets being depreciated and amortised are likely to be replaced in the future and adjusted EBITDA does not reflect cash requirements for such replacements.

Business and financial review continued

Net debt to adjusted EBITDA

Adjusted EBITDA in 2022 totalled €2.9 billion and increased relative to 2021, on a pro forma basis, by €222 million. For 2021, we have provided a pro forma calculation for our net debt to adjusted EBITDA ratio as if the Acquisition had occurred at the beginning of 2021. We believe this calculation allows for a better understanding of our capital position in the context of CCEP.

The increase versus 2021 pro forma adjusted EBITDA was primarily driven by the increase in comparable operating profit reflecting increased revenue. The ratio of net debt to adjusted EBITDA is 3.5 versus 4.3 in 2021, on a pro forma basis, reflecting the decrease in net debt due to the repayment of borrowings and the increase in adjusted EBITDA.

Adjusted EBITDA	Year ended 31 December		
In millions of €	2022	2021 Pro forma[A]	2021
Reported profit after tax	**1,521**	**988**	**988**
Taxes	436	394	394
Finance costs, net	114	129	129
Non-operating items	15	5	5
Reported operating profit	**2,086**	**1,516**	**1,516**
Pro forma adjustments CCL[B]	—	117	—
Transaction accounting adjustments[C]	—	(68)	—
Pro forma operating profit		**1,565**	
Depreciation and amortisation[D]	814	858	782
Reported EBITDA	**2,902**	**2,423**	**2,298**
Items impacting comparability			
Restructuring charges[E]	119	97	97
Defined benefit plan closure[F]	—	(9)	(9)
Acquisition and integration related costs[G]	3	110	49
Inventory step up costs[H]	—	48	48
European flooding[I]	(11)	15	15
Defined benefit plan amendment[J]	(7)	—	—
Coal royalties[K]	(96)	—	—
Other[L]	—	4	—
Adjusted EBITDA	**2,910**	**2,688**	**2,498**
Net debt to EBITDA	**3.5**	**4.8**	**5.1**
Net debt to adjusted EBITDA	**3.5**	**4.3**	**4.7**

(A) Reconciliation from reported operating profit to comparable operating profit and to pro forma comparable operating profit is included in Supplementary financial information – Income Statement on pages 83-85.
(B) Amounts represent adjustments to include CCL financial results prepared on a basis consistent with CCEP accounting policies, as if the Acquisition had occurred on 1 January 2021 and excludes CCL acquisition and integration-related costs.
(C) Amounts represent transaction accounting adjustments for the period 1 January to 10 May as if the Acquisition had occurred on 1 January 2021.
(D) Includes the depreciation and amortisation impact relating to provisional fair values for intangibles and property plant and equipment as at 31 December 2021. On a pro forma basis, it includes the depreciation and amortisation as if the Acquisition had occurred on 1 January 2021.
(E) Amounts represent restructuring charges related to business transformation activities, excluding accelerated depreciation included in the depreciation and amortisation line.
(F) Amounts represent the impact of the closure of the GB defined benefit pension scheme to future benefits accrual on 31 March 2021.
(G) Amounts represent costs associated with the acquisition and integration of CCL.
(H) Amounts represent the non-recurring impact of the fair value step-up of API finished goods.
(I) Amounts represent the incremental expense incurred offset/partially offset by the insurance recoveries collected as a result of the July 2021 flooding events, which impacted the operations of our production facilities in Chaudfontaine and Bad Neuenahr.
(J) Amounts represent the impact of a plan amendment arising from legislative changes in respect of the minimum retirement age.
(K) Amounts represent other income arising from the favourable court ruling pertaining to the ownership of certain mineral rights in Australia.
(L) Amounts represent charges incurred prior to Acquisition classified as non-trading items by CCL which are not expected to recur.

Dividends

In line with our commitments to deliver long-term value to shareholders, we paid a first half interim dividend of €0.56 per share in May 2022 and a second half interim dividend of €1.12 per share in December 2022, based on comparable diluted earnings per share, maintaining a payout ratio of approximately 50% in line with our dividend policy. For the year ended 31 December 2022, dividend payments totalled €763 million (2021: €638 million).

Share buyback

No Shares were repurchased in 2022 and 2021.

Business and financial review continued

Supplementary financial information – Income Statement – Reported to comparable

The following provides a summary reconciliation of CCEP's reported and comparable results for the full year ended 31 December 2022 and 31 December 2021:

Full year 2022 Unaudited, in millions of € except per share data which is calculated prior to rounding	As reported CCEP	Items impacting comparability: Restructuring charges[A]	Acquisition and integration related costs[B]	European flooding[C]	Defined benefit plan amendment[D]	Coal royalties[E]	Comparable CCEP
Revenue	17,320	—	—	—	—	—	17,320
Cost of sales	11,096	(9)		1			11,088
Gross profit	**6,224**	**19**	**—**	**(11)**	**—**	**—**	**6,232**
Operating expenses	4,234	(144)	(3)		7		4,094
Other income	96	—	—	—	—	(96)	—
Operating profit	**2,086**	**163**	**3**	**(11)**	**(7)**	**(96)**	**2,138**
Total finance costs, net	114						114
Non-operating items	15	—	—	—	—	—	15
Profit before taxes	**1,957**	**163**	**3**	**(11)**	**(7)**	**(96)**	**2,009**
Taxes	436	42	—	(3)	(1)	(29)	445
Profit after taxes	**1,521**	**121**	**3**	**(8)**	**(6)**	**(67)**	**1,564**
Attributable to:							
Shareholders	1,508	121	3	(8)	(6)	(67)	1,551
Non-controlling interest	13	—	—	—	—	—	13
Profit after taxes	**1,521**	**121**	**3**	**(8)**	**(6)**	**(67)**	**1,564**
Diluted earnings per share (€)	**3.29**	**0.27**	**0.01**	**(0.02)**	**(0.01)**	**(0.15)**	**3.39**

Full year 2021 Unaudited, in millions of € except per share data which is calculated prior to rounding	As reported CCEP	Items impacting comparability: Restructuring charges[A]	Defined benefit plan closure[F]	Total Acquisition related costs[B]	Inventory step up costs[G]	European flooding[C]	Net tax[H]	Comparable CCEP
Revenue	13,763	—	—	—	—	—	—	13,763
Cost of sales	8,677	(17)	3	—	(48)	(9)	—	8,606
Gross profit	**5,086**	**17**	**(3)**	**—**	**48**	**9**	**—**	**5,157**
Operating expenses	3,570	(136)	6	(49)	—	(6)	—	3,385
Other income	—	—	—	—	—	—	—	—
Operating profit	**1,516**	**153**	**(9)**	**49**	**48**	**15**	**—**	**1,772**
Total finance costs, net	129	—	—	(4)	—	—	—	125
Non-operating items	5	—	—	—	—	—	—	5
Profit before taxes	**1,382**	**153**	**(9)**	**53**	**48**	**15**	**—**	**1,642**
Taxes	394	43	4	10	13	3	(127)	340
Profit after taxes	**988**	**110**	**(13)**	**43**	**35**	**12**	**127**	**1,302**
Attributable to:								
Shareholders	982	109	(13)	43	34	12	127	1,294
Non-controlling interest	6	1	—	—	1	—	—	8
Profit after taxes	**988**	**110**	**(13)**	**43**	**35**	**12**	**127**	**1,302**
Diluted earnings per share (€)	**2.15**	**0.24**	**(0.03)**	**0.09**	**0.07**	**0.03**	**0.28**	**2.83**

(A) Amounts represent restructuring charges related to business transformation activities.
(B) Amounts represent cost associated with the acquisition and integration of CCL.
(C) Amounts represent the incremental expense incurred offset/partially offset by the insurance recoveries collected as a result of the July 2021 flooding events, which impacted the operations of our production facilities in Chaudfontaine and Bad Neuenahr.
(D) Amounts represent the impact of a plan amendment arising from legislative changes in respect of the minimum retirement age.
(E) Amounts represent other income arising from the favourable court ruling pertaining to the ownership of certain mineral rights in Australia.
(F) Amounts represent the impact of the closure of the GB defined benefit pension scheme to future benefits accrual on 31 March 2021.
(G) Amounts represent the non-recurring impact of the fair value step-up of API finished goods.
(H) Amounts include the deferred tax impact related to income tax rate and law changes.

Business and financial review continued

Supplementary financial information – Income Statement – Reported to pro forma comparable

The following provides a summary reconciliation of CCEP's reported and pro forma comparable results for the full year ended 31 December 2021:

Full year 2021 Unaudited, in millions of € except per share data which is calculated prior to rounding.	As reported	Pro forma adjustments CCL[A]	Transaction accounting adjustments[B]	Pro forma combined	Items impacting comparability[C]	Pro forma comparable
	CCEP			CCEP		CCEP
Revenue	13,763	1,056	—	14,819	—	14,819
Cost of sales	8,677	616	—	9,293	(71)	9,222
Gross profit	**5,086**	**440**	**—**	**5,526**	**71**	**5,597**
Operating expenses	3,570	323	68	3,961	(250)	3,711
Operating profit	**1,516**	**117**	**(68)**	**1,565**	**321**	**1,886**
Total finance costs, net	129	12	9	150	(4)	146
Non-operating items	5	(1)	—	4	—	4
Profit before taxes	**1,382**	**106**	**(77)**	**1,411**	**325**	**1,736**
Taxes	394	29	(20)	403	(36)	367
Profit after taxes	**988**	**77**	**(57)**	**1,008**	**361**	**1,369**
Attributable to:						
Shareholders	982	74	(58)	998	359	1,357
Non-controlling interest	6	3	1	10	2	12
Profit after taxes	**988**	**77**	**(57)**	**1,008**	**361**	**1,369**
Diluted earnings per share (€)	**2.15**	**0.16**	**(0.13)**	**2.18**	**0.79**	**2.97**

(A) Amounts represent adjustments to include CCL financial results prepared on a basis consistent with CCEP accounting policies, as if the Acquisition had occurred on 1 January 2021 and excludes CCL acquisition and integration-related costs.
(B) Amounts represent transaction accounting adjustments for the period 1 January to 10 May as if the Acquisition had occurred on 1 January 2021. These include the depreciation and amortisation impact relating to provisional fair values for intangibles and property plant and equipment, the interest impact of additional debt financing reflecting the actual weighted average interest rate for Acquisition financing of c.0.40% and the inclusion of acquisition and integration-related costs incurred by CCL prior to the Acquisition.
(C) Items impacting comparability represents amounts included within pro forma Combined CCEP affecting the comparability of CCEP's year over year financial performance and are set out in the following table:

Business and financial review continued

Full year 2021 Unaudited. In millions of £ except per share data which is calculated prior to rounding.	Items impacting comparability							
	Restructuring charges[A]	Defined benefit plan closure[B]	Acquisition and integration related costs[C]	Inventory step up costs[D]	European flooding[E]	Net tax[F]	Other[G]	Total items impacting comparability
Revenue	—	—	—	—	—	—	—	—
Cost of sales	(17)	3	—	(48)	(9)	—	—	(71)
Gross profit	**17**	**(3)**	**—**	**48**	**9**	**—**	**—**	**71**
Operating expenses	(136)	6	(110)	—	(6)	—	(4)	(250)
Operating profit	**153**	**(9)**	**110**	**48**	**15**	**—**	**4**	**321**
Total finance costs, net	—	—	(4)	—	—	—	—	(4)
Non-operating items	—	—	—	—	—	—	—	—
Profit before taxes	**153**	**(9)**	**114**	**48**	**15**	**—**	**4**	**325**
Taxes	43	4	27	13	3	(127)	1	(36)
Profit after taxes	**110**	**(13)**	**87**	**35**	**12**	**127**	**3**	**361**
Attributable to:								
Shareholders	109	(13)	87	34	12	127	3	359
Non-controlling interest	1	—	—	1	—	—	—	2
Profit after taxes	**110**	**(13)**	**87**	**35**	**12**	**127**	**3**	**361**
Diluted earnings per share (€)	**0.24**	**(0.03)**	**0.19**	**0.07**	**0.03**	**0.28**	**0.01**	**0.79**

(A) Amounts represent restructuring charges related to business transformation activities.
(B) Amounts represent the impact of the closure of the GB defined benefit pension scheme to future benefits accrual on 31 March 2021.
(C) Amounts represent cost associated with the acquisition and integration of CCL.
(D) Amounts represent the non-recurring impact of the provisional fair value step-up of API finished goods. For 2021, these charges are included within the As Reported results.
(E) Amounts represent the incremental net costs incurred as a result of the July 2021 flooding events, which impacted the operations of our production facilities in Chaudfontaine and Bad Neuenahr.
(F) Amounts include the deferred tax impact related to income tax rate and law changes.
(G) Amounts represent charges incurred prior to Acquisition classified as non-trading items by CCL which are not expected to recur.

Operating profit by segment

Operating profit Europe

In millions of £. FX impact calculated by recalculating current year results at prior year rates.	Year ended 31 December		
	2022	2021	% Change
As reported	**1,529**	**1,298**	**18.0%**
Adjust: Total items impacting comparability	141	202	n/a
Comparable	**1,670**	**1,500**	**11.5%**
Adjust: Impact of FX changes		n/a	n/a
Comparable and FX neutral	**1,670**	**1,500**	**11.5%**

Pro forma operating profit API

In millions of €. FX impact calculated by recalculating current year results at prior year rates.	Year ended 31 December		
	2022	2021	% Change
As reported	**557**	**218**	**155.5%**
Add: Pro forma adjustments		117	
Adjust: Transaction accounting adjustments	—	(68)	n/a
Adjust: Total items impacting comparability	(89)	119	
Pro forma comparable	**468**	**386**	**21.0%**
Adjust: Impact of FX changes	(20)	n/a	n/a
Pro forma comparable and FX neutral	**448**	**386**	**16.0%**

The Company's Strategic Report is set out on pages 1–85. The Strategic Report was approved by the Board on 17 March 2023 and signed on its behalf by

Damian Gammell, Chief Executive Officer



Governance and Directors' Report

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Chairman's introduction



Dear Shareholder

On behalf of the Board, I am pleased to present the Corporate governance report for the year ended 31 December 2022. The report describes CCEP's corporate governance framework and procedures, and summarises the work of the Board and its Committees to illustrate how we have discharged our duties during the year.

Though we still felt the impact of COVID-19 during 2022 in some of our markets, we were fortunate that the Board was able to resume a normal meeting schedule and to meet in person and engage in rich debate. We had the opportunity to visit Indonesia to meet our API colleagues and witness first hand the positive integration and successful collaboration of our teams.

Some key areas of focus and decisions of the Board during 2022 are outlined below.

Managing and mitigating the effects of the war in Ukraine and other geopolitical factors

2022 was another challenging year as a result of the effects of the war in Ukraine and other geopolitical factors. The Board provided strategic oversight and guidance to management with regard to supply chain challenges arising from commodity prices and inflationary pressures. Adaptability and agility during 2022 were key and will continue to be important into 2023.

Culture

The Board plays a critical role in shaping the culture of the company by promoting growth focused and values-based conduct and aims to create a culture where everyone feels welcome to be themselves and that they are valued and belong. To monitor this during the year, the Board received outputs from engagement surveys, Code of Conduct reporting, diversity statistics and health and safety indicators.

Health, safety and wellbeing

The Board's key priority remained the safety of our people, customers and communities. A number of measures continued to be put in place to support the physical and mental wellbeing and health of our people. This included enhancing the number of wellbeing first aiders, our new 'Get home to what you love' campaign and 'Is it Coke' campaign.

Read more in Forward on society - people on page 60

Environmental, social and governance

The Board continues to recognise the growing importance of ESG to its stakeholders, including the focus on clear and quantifiable commitments. CCEP's updated sustainability action plan, This is Forward, which incorporated API and sets out 20 ambitious, quantifiable and time-bound headline commitments is a significant milestone for us.

In addition, we reviewed the Committees' terms of reference with an ESG lens. Changes included the Audit Committee extending its role to include ESG reporting responsibilities and the renaming of the Corporate Social Responsibility Committee to Environmental, Social and Governance Committee, recognising the widening of its remit.

Board changes

A key aspect of my role as Chairman is ensuring that collectively the Board has the skills, knowledge, diversity and experience it requires. As announced on 15 February 2023, subject to their election, we are delighted to welcome Mary Harris, Nicolas Mirzayantz and Nancy Quan to the Board with effect from the conclusion of the AGM in May 2023. They offer a wealth of relevant skills and experience and will succeed Jan Bennink, Christine Cross and Brian Smith. Jan, Christine and Brian have been strong and engaged Board members and we thank them for their invaluable contributions throughout their tenures.

Further details are disclosed on pages 106, 108 and 109.

Board evaluation

We again conducted a review of the effectiveness of the Board and Board Committees, which helps to support their continuous improvement. The process was led by our Senior Independent Director and Company Secretary and involved the completion of online surveys provided by Lintstock and tailored for the Board and each of its Committees.

Key outcomes from the Board evaluation conducted in 2022 can be found on page 107

Digital

Digital is one of our key strategic pillars and reflects the increasing role that technology plays in delivery to our customers. It is critical that our governance enables the Board to effectively shape and oversee progress against our technology strategy. In order to do this, CCEP has an established Digital Advisory Committee steered by management and with external experts as members.

The Board has access to the Committee papers and in addition receives first hand outputs of matters discussed through the CEO Report. This is in addition to deep dives such as those received in 2022 in respect of the use of data and analytics and the implementation of CCEP's next generation technology architecture. This enables the Board to have a clear understanding of the progress and challenges in implementation of strategy and the impact on key stakeholders.

Sol Daurella,
Chairman
17 March 2023

Board of Directors

Our Board of Directors[A] is diverse, experienced and knowledgeable, bringing together the skills needed for our long-term success in line with our skills matrix.

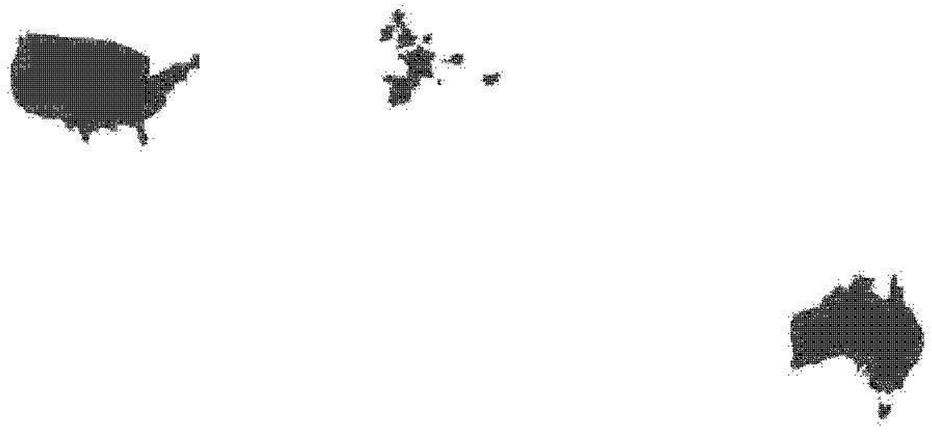
Total number of Directors on the Board

17

(A) Based on Directors as at 31 December 2022.

Ethnicity/nationality

- Spanish 6
- British 3
- American 2
- Australian 1
- Austrian 1
- Bulgarian 1
- Dutch 1
- French 1
- Irish 1



Women on the Board

5

Directors' skills and experience

- Strategy 16
- Marketing/PR/Consumer 16
- Customer/Retail 16
- People 15
- Sustainability 14
- Bottling industry 11
- Coca-Cola system 11
- Audit/Risk/Finance 9
- Digital technology 5

Independent Directors on the Board[B]

9

(B) Excluding the Chairman.

Directors' biographies

Our Board consisted of our Chairman, CEO and 15 Non-executive Directors as at 31 December 2022.

Biographies of our Board members and details of Board and Committee changes made during the reporting period are set out on pages 89-93.

Find out more at cocacolaep.com/board-of-directors



Sol Daurella
Chairman

Committees AT A E N R

Date appointed to the Board May 2016

Key strengths/experience

- Experienced director of public companies operating in an international environment
- A deep understanding of fast moving consumer goods (FMCG) and our markets
- Extensive experience at Coca-Cola bottling companies
- Strong international strategic and commercial skills

Key external commitments

Co-Chairman and member of the Executive Committee of Cobega, S.A., Executive Chairman of Olive Partners, S.A., director of Equatorial Coca-Cola Bottling Company, S.L., independent non-executive director and a member of the Appointments, Remuneration and Responsible Banking, Sustainability and Culture Committees of Banco Santander

Previous roles

Various roles at the Daurella family's Coca-Cola bottling business, director of Banco de Sabadell, Ebro Foods, Acciona and Co-Chairman of Grupo Cacaolat



Damian Gammell
Chief Executive Officer (CEO)

Committees AT A E N R

Date appointed to the Board Dec 2016

Key strengths/experience

- Strategy, risk management, development and execution experience
- Vision, customer focus and transformational leadership
- Developing people and teams and promoting sustainability
- Over 25 years of leadership experience and in depth understanding of the non-alcoholic ready to drink (NARTD) industry and within the Coca-Cola system

Key external commitments

N/A

Previous roles

Beverage Group President of Anadolu Group and CEO of Anadolu Efes, CEO and Managing Director of Coca-Cola İçecek A.Ş. and a number of other senior executive roles in the Coca-Cola system including in Russia, Australia and Germany

Key to committees

AT Affiliated Transaction Committee | A Audit Committee | E Environmental, Social and Governance Committee | N Nomination Committee | R Remuneration Committee | Committee chairman

Directors' biographies continued

Manolo Arroyo
Non-executive Director



Committees AT A E N R

Date appointed to the Board May 2021

Key strengths/experience

- Extensive experience working in the Coca-Cola system
- Strong operational leadership experience in international consumer goods groups, lived and worked in four continents, both developed and emerging markets
- Strategic marketing, commercial and bottling expertise
- Served as CEO of publicly listed FMCG company
- In depth understanding of brands in Coca-Cola system

Key external commitments

Chief Marketing Officer at The Coca-Cola Company (TCCC) and non-executive director of Effie Worldwide

Previous roles

President of the Asia Pacific Group, Bottling Investments Group, and Mexico business unit of TCCC, CEO of Deoleo, S.A., Senior Vice President and President, Asia Pacific of S.C. Johnson & Son, Inc., President of the ASEAN and SEWA business units of TCCC, General Manager of the Spain business unit of TCCC, Vice-Chairman of Coca-Cola COFCO Bottling China and non-executive Director of ThaiNamThip Limited and Coca-Cola Andina

Jan Bennink
Independent Non-executive Director



Committees AT A E N R

Date appointed to the Board May 2016

Key strengths/experience

- Chairman/CEO of multinational public companies
- Extensive experience in FMCG, including the food and beverage industry
- Thorough understanding of global and Western European markets
- Strong strategic, marketing and sales experience relevant to the beverage industry

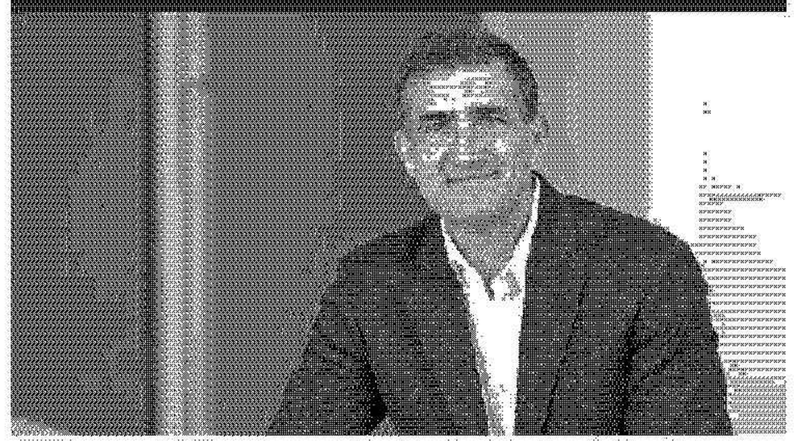
Key external commitments

Chairman of the Bennink Foundation and Executive Partner at XN

Previous roles

Advisor to Artisan Partners (Asset Management), Board member of Wonderflow B.V., Executive Chairman of Sara Lee Corporation, Chairman and interim CEO of DE Masterblenders 1753 N.V., CEO of Royal Numico N.V., director of Kraft Foods Inc., Boots Company plc, Dalli-Werke GmbH & Co KG and EFIC1, and a member of the Advisory Board of ABN Amro Bank

John Bryant
Independent Non-executive Director



Committees AT A E N R

Date appointed to the Board Jan 2021

Key strengths/experience

- Chairman/CEO of a multinational public company
- Expert in strategy, mergers and acquisitions, restructuring and portfolio transformation
- 30 years' experience in consumer goods
- Strong track record of finance and operational leadership, experience in overseeing information technology
- Engaged in the cyber security strategy process

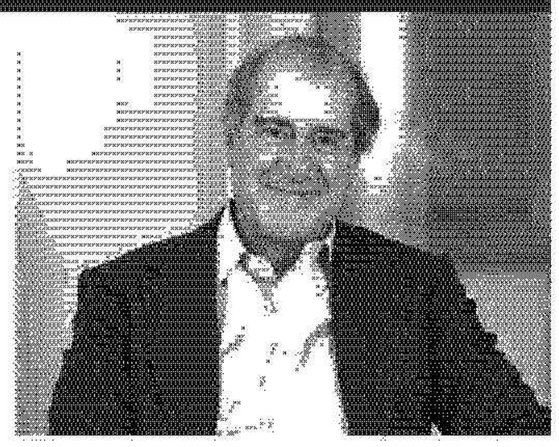
Key external commitments

Senior Independent Director (SID) of Compass Group plc and non-executive director of Ball Corporation and Macy's Inc.

Previous roles

Executive Chairman and CEO of Kellogg Company and other senior roles in the Kellogg Company including Chief Financial Officer (CFO), Chief Operating Officer (COO), President, North America and President, International, and strategy advisor at A.T. Kearney and Marakon Associates

José Ignacio Comenge
Non-executive Director



Committees AT A E N R

Date appointed to the Board May 2016

Key strengths/experience

- Extensive experience of the Coca-Cola system
- Broad board experience across industries and sectors
- Knowledgeable about the industry in our key market of Iberia
- Insights in formulating strategy drawn from leadership roles in varied sectors

Key external commitments

Director of Olive Partners, S.A., ENCE Energía y Celulosa, S.A., Compañía Vinícola del Norte de España, S.A., Ebro Foods S.A., Barbosa & Almeida SGPS, S.A. and Chairman of Ball Beverage Can Ibérica, S.L.

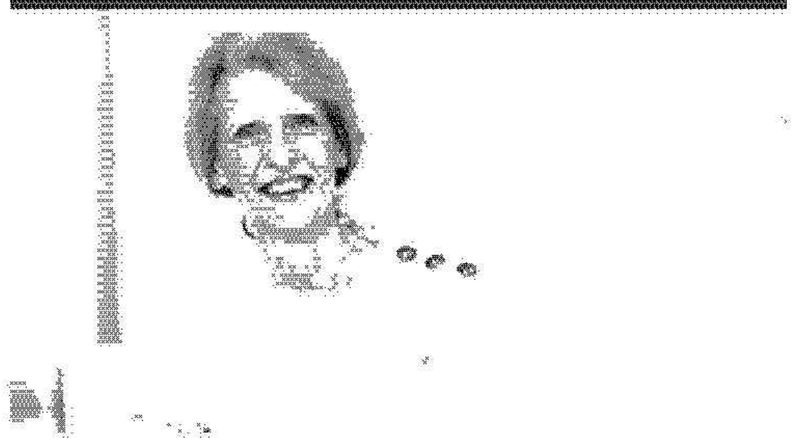
Previous roles

Senior roles in the Coca-Cola system, AXA, S.A., Aguila and Heineken Spain and Vice-Chairman and CEO of MMA Insurance

Key to committees AT Affiliated Transaction Committee | A Audit Committee | E Environmental, Social and Governance Committee | N Nomination Committee | R Remuneration Committee | Committee chairman

Directors' biographies continued

Christine Cross
Independent Non-executive Director



Committees AT A E N R

Date appointed to the Board May 2016

Key strengths/experience

- In depth experience working in the food and beverage industry
- Consults on international business strategy, marketing and sustainable business development
- Global perspective on CCEP's activities
- Experience of chairing remuneration committees

Key external commitments

Director of Christine Cross Ltd, non-executive director of Hilton Food Group plc and Pollen Estate, Chairman of Farmison Ltd and Special Adviser to Interpath and Inverleith LLP

Previous roles

Executive director of Tesco plc, non-executive director of Brambles Limited, Clipper Logistics plc, Fenwick Limited, Kathmandu Holdings Limited, Next plc, Oddbox Delivery Ltd, Woolworths (Au) plc, Sobeys (Ca) plc, Plantasgen, Fairmont Hotels Group plc, Sonae – SGPS, S.A., Premier Foods plc, Taylor Wimpey plc, and member of the Supervisory Board of Zooplus AG

Nathalie Gaveau
Independent Non-executive Director



Committees AT A E N R

Date appointed to the Board Jan 2019

Key strengths/experience

- Successful tech entrepreneur and investor
- Expert in e-commerce and digital transformation, innovation, mobile, data and social marketing
- International consumer goods experience

Key external commitments

Non-executive director of Lightspeed Commerce Inc., Senior Advisor to BCG Digital Ventures, and President of Tailwind International Corp, a Special Purpose Acquisition Company

Previous roles

Founder and CEO of Shopcade, Interactive Business director of the TBWA Tequila Group, Asia Pacific E-business and CRM Manager for Club Med, co-founder and Managing Director of Priceminister, Financial Analyst for Lazard, and non-executive director of HEC Paris and Calida Group

Álvaro Gómez-Trénor Aguilar
Non-executive Director



Committees AT A E N R

Date appointed to the Board Mar 2018

Key strengths/experience

- Broad knowledge of working in the food and beverage industry
- Extensive understanding of the Coca-Cola system, particularly in Iberia
- Expertise in finance and investment banking
- Strategic and investment advisor to businesses in varied sectors

Key external commitments

Director of Olive Partners, S.A. and Sinensis Seed Capital SCR de RC, S.A.

Previous roles

Various board appointments in the Coca-Cola system, including as President of Begano, S.A., director and Chairman of the Audit Committee of Coca-Cola Iberian Partners, S.A., as well as key executive roles in Grupo Pas and Garcon Vallvé & Contreras and director of Global Omnium (Aguas de Valencia, S.A.)

Thomas H. Johnson
Independent Non-executive Director and Senior Independent Director



Committees AT A E N R

Date appointed to the Board May 2016

Key strengths/experience

- Chairman/CEO of international public companies
- Manufacturing and distribution expertise
- Extensive international management experience in Europe
- Investment and finance experience

Key external commitments

CEO of The Taffrail Group, LLC and non-executive director of Universal Corporation

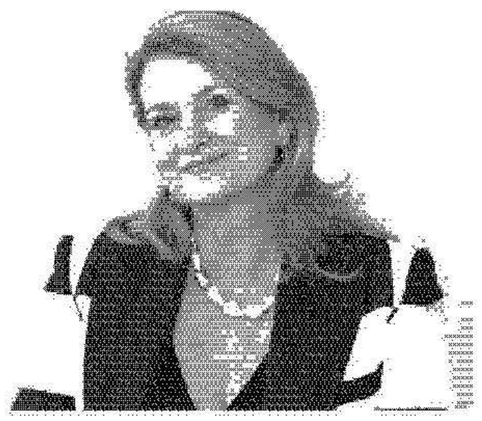
Previous roles

Chairman and CEO of Chesapeake Corporation, President and CEO of Riverwood International Corporation, and director of Coca-Cola Enterprises, Inc., GenOn Corporation, Mirant Corporation, ModusLink Global Solutions, Inc., Superior Essex Inc. and Tumi, Inc.

Key to committees AT Affiliated Transaction Committee | A Audit Committee | E Environmental, Social and Governance Committee | N Nomination Committee | R Remuneration Committee | Committee chairman

Directors' biographies continued

Dagmar Kollmann
Independent Non-executive Director



Committees AT A E N R

Date appointed to the Board May 2019

Key strengths/experience

- Expert in finance and international listed groups
- Thorough understanding of capital markets and mergers and acquisitions
- Extensive commercial and investor relations experience
- Strong executive and senior leadership experience in global businesses
- Risk oversight and corporate governance expertise

Key external commitments

Chairman of the Supervisory Board of Citigroup Global Markets Europe AG, non-executive director of Unibail-Rodamco-Westfield SE, Deutsche Telekom AG and Paysafe Group Limited, and Commissioner in the German Monopolies Commission

Previous roles

CEO and Country Head in Germany and Austria for Morgan Stanley, member of the board of Morgan Stanley International Ltd in London, Associate Director of UBS in London, non-executive director of KfW IPEX-Bank and Deputy Chairman of the Supervisory Board of Deutsche Pfandbriefbank AG

Alfonso Líbano Daurella
Non-executive Director



Committees AT A E N R

Date appointed to the Board May 2016

Key strengths/experience

- Developed the Daurella family's association with the Coca-Cola system
- Detailed knowledge of the Coca-Cola system
- Insight to CCEP's impact on communities from experience as trustee or director of charitable and public organisations
- Experienced corporate social responsibility committee chair

Key external commitments

Vice Chairman and Member of the Executive Committee of Cobega, S.A, director of Olive Partners, S.A., Chairman of Equatorial Coca-Cola Bottling Company, S.L., Vice-Chairman of MECC Soft Drinks JLT, Co-chair of the Polaris Committee at United Nations and FBN, and Ambassador of the Family Business Network and member of the board of the American Chamber of Commerce in Spain

Previous roles

Various roles at the Daurella family's Coca-Cola bottling business, director and Chairman of the Quality & CRS Committee of Coca-Cola Iberian Partners, S.A, director of Grupo Cacaolat, S.L. and director of The Coca-Cola Bottling Company of Egypt, S.A.E, member of the board of Banco Espanol de Credito Banesto, and Chair of Family Business Europe

Mark Price
Independent Non-executive Director



Committees AT A E N R

Date appointed to the Board May 2019

Key strengths/experience

- Extensive experience in the retail industry
- A deep understanding of international trade
- Strong strategic and sustainable development skills

Key external commitments

Member of the House of Lords, Founder of WorkL, Chair of Trustees of the Fairtrade Foundation UK and President and Chairman of the Chartered Management Institute

Previous roles

Managing Director of Waitrose and Deputy Chairman of John Lewis Partnership, non-executive director and Deputy Chairman of Channel 4 TV and Minister of State for Trade and Investment and Trade Policy, Chair of Business in the Community, The Prince's Countryside Fund and Member of Council at Lancaster University

Mario Rotllant Solá
Non-executive Director



Committees AT A E N R

Date appointed to the Board May 2016

Key strengths/experience

- Extensive international experience in the food and beverage industry
- Experience of chairing a remuneration committee
- In-depth technical knowledge of the Coca-Cola system and the bottling industry
- Development of non-profit organisations

Key external commitments

Vice-Chairman of Olive Partners, S.A., Co-Chairman and member of the Executive Committee of Cobega, S.A., Chairman of the North Africa Bottling Company, Chairman of the Advisory Board of Banco Santander, S.A. in Catalonia and a director of Equatorial Coca-Cola Bottling Company, S.L.

Previous roles

Second Vice-Chairman and member of the Executive Committee and Chairman of the Appointment and Remuneration Committee of Coca-Cola Iberian Partners, S.A.

Key to committees AT Affiliated Transaction Committee | A Audit Committee | E Environmental, Social and Governance Committee | N Nomination Committee | R Remuneration Committee | Committee chairman

Directors' biographies continued

Brian Smith
Non-executive Director



Committees AT A E N R

Date appointed to the Board Jul 2020

Key strengths/experience

- Extensive experience working in the Coca-Cola system
- Deep understanding of in-market executional leadership
- Strong talent development and deployment skills
- Broad knowledge of global field operations at TCCC

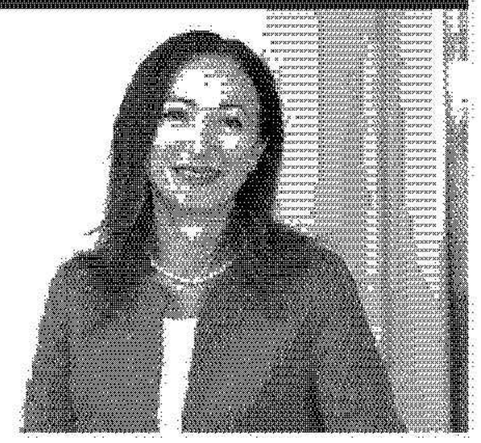
Key external commitments

Non-executive director, Chairman of the Nominating and Corporate Governance Committee and member of the Compensation Committee of Evertec, Inc.

Previous roles

President and COO at TCCC, President of TCCC's Europe, Middle East and Africa group, President of TCCC's Latin America group, Executive Assistant to TCCC's CEO and Vice Chairman, President of Brazil division, President of the Mexico division and also Latin America group manager for mergers and acquisitions at TCCC

Dessi Temperley
Independent Non-executive Director



Committees AT A E N R

Date appointed to the Board May 2020

Key strengths/experience

- Financial and technical accounting expertise
- Strong commercial insights and knowledge of European markets
- International consumer brands experience
- Skilled in technology

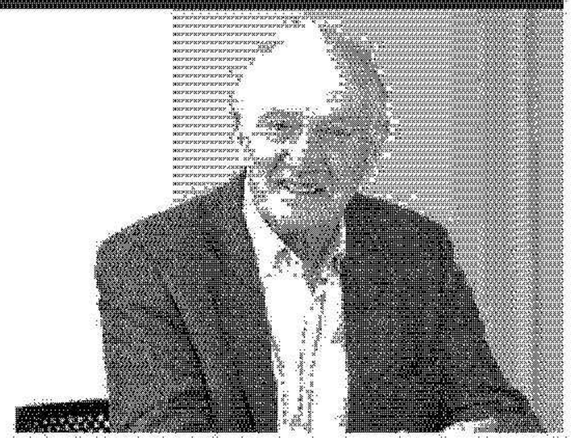
Key external commitments

Non-executive director and Chairman of the Audit Committee of Cimpress plc, non-executive director and member of the Audit, Finance and Consumer Relationships and Regulation Committees of Philip Morris International Inc. and member of the Supervisory Board of Corbion N.V.

Previous roles

Group CFO of Beiersdorf AG, member of the Supervisory Board of Tesa SE, Head of Investor Relations at Nestlé, CFO of Nestlé Purina EMENA and CFO of Nestlé South East Europe, and finance roles at Cable & Wireless and Shell

Garry Watts
Independent Non-executive Director



Committees AT A E N R

Date appointed to the Board Apr 2016

Key strengths/experience

- Extensive business experience in Australasia, Western Europe and the UK, including as CEO of a global consumer goods business
- Served as executive and non-executive director in a broad variety of sectors and previously chaired the Audit Committee of a sizeable company
- Financial expertise, experience and skills
- Formerly an auditor

Key external commitments

Senior Independent Director of NIOX Group plc

Previous roles

Audit partner at KPMG LLP, CFO of Medeva plc, CEO of SSL International, director of Coca-Cola Enterprises, Inc., Deputy Chairman and Audit Committee Chairman of Stagecoach Group plc and Protherics plc, and Chairman of BTG plc, Foxtons Group plc and Spire Healthcare Group plc

2022 Board and Committee changes

In March 2022, Dagmar succeeded Jan as Chairman of the Affiliated Transaction Committee.

In May 2022:

- Alfonso succeeded José Ignacio as a member of the Affiliated Transaction Committee
- Dessi succeeded Garry as Chairman of the Audit Committee
- José Ignacio succeeded Mario as a member of the Remuneration Committee
- Mario succeeded Alfonso as Chairman and a member of the ESG Committee

In December 2022, John succeeded Christine as Chairman of the Remuneration Committee.

2023 Board and Committee changes

As announced on 15 February 2023, subject to their election, Mary Harris and Nicolas Mirzayantz will succeed Jan and Christine as Independent Non-executive Directors and Nancy Quan will succeed Brian as a Non-executive Director at the conclusion of the AGM in 2023.

Once appointed, the following Board Committee membership changes will also take effect at the conclusion of the May 2023 AGM:

- Mary will become a member of the Remuneration and Nomination Committees
- Nancy and Nicolas will become members of the ESG Committee
- Nathalie will become a member of the Affiliated Transaction Committee

Read more about the new Directors' experience and existing commitments on page 106

Key to committees AT Affiliated Transaction Committee | A Audit Committee | E Environmental, Social and Governance Committee | N Nomination Committee | R Remuneration Committee | Committee chairman

Senior management



Nik Jhangiani
Chief Financial Officer
Appointed **May 2016**

Nik has more than 30 years of finance experience, including 20 years within the Coca-Cola system, previously as Senior Vice President and CFO for Coca-Cola Enterprises, Inc.. Nik started his career in New York at accountancy firm Deloitte & Touche before spending two years at Bristol-Myers Squibb as International Senior Internal Auditor. He then joined the Colgate-Palmolive Company in New York where he was appointed Group Financial Director for the Nigerian operations, before moving to TCCC in Atlanta. He is a Certified Public Accountant. Nik is also the culture and heritage executive sponsor at CCEP.

Clare Wardle
General Counsel and Company Secretary
Appointed **July 2016**

Clare leads legal, risk, compliance, security and company secretariat. Prior to joining CCEP, she was Group General Counsel and Company Secretary at Kingfisher plc, Commercial Director, General Counsel and Company Secretary at Tube Lines and held senior roles at the Royal Mail Group. She began her career as a barrister before moving to Hogan Lovells. Clare is the Senior Independent Director of The City of London Investment Trust plc and Modern Pentathlon GB. Clare is also the LGBT+ inclusion executive sponsor at CCEP.

José Antonio Echeverría
Chief Customer Service and Supply Chain Officer
Appointed **September 2019**

José Antonio leads CCEP's end to end supply chain and customer service. He is focused on creating a superior experience for our customers, while delivering an expanded and sustainable portfolio of drinks and packaging. He has been a part of the Coca-Cola system since 2005, serving in multiple roles including Vice President of Strategy and Transformational Projects for the Iberia business unit, and Vice President, Strategy and Coordination for Supply Chain across CCEP. José is also the disability inclusion executive sponsor at CCEP.

Peter Brickley
Chief Information Officer (CIO)
Appointed **November 2016**

Peter leads the business process and technology function at CCEP, including steering CCEP's investments in technology solutions. Peter has over 25 years' experience leading technology for global businesses including Heineken, Centrica and BAT. Before CCEP, he was Global CIO and Managing Director of Global Business Services at SABMiller. Peter is a trustee of the Brain and Spine Foundation and a Non-executive Director at the Chorley Building Society. Previously Peter was the chair at the Newbury Building Society.

Stephen Lusk
Chief Commercial Officer
Appointed **March 2021**

Stephen is responsible for advancing and shaping our commercial strategy, capabilities and driving our performance in the market and with customers. He works closely with business unit general managers to build future commercial capability and with our franchise partners to bring their brands and products to life. Stephen has spent the last 30 years in the Coca-Cola system, holding senior leadership positions in supply chain, sales and marketing and general management in Europe. Before joining CCEP, he led the Coca-Cola bottler in Singapore, Malaysia and Brunei.

Senior management continued



"I believe that CCEP threads the needle of getting that combination of local market accountability and scale perfectly right."

Peter West
General Manager, API Business Unit

François Gay-Bellile 8
General Manager, France Business Unit
Appointed **July 2020**

François is responsible for CCEP's business unit in France. His career began at Pernod-Ricard as a brand manager. He joined TCCC in France in 1996. Over his 24 years at TCCC, he held roles of increasing responsibility in marketing, commercial and general management in the US, Asia and Europe. Before joining CCEP, François was General Manager for TCCC in France. He is a director of the French Soft Drinks Association (Boissons Rafraîchissantes de France), the French Food & Beverage Association (Association Nationale de l'Industrie Alimentaire) and ILEC (Institut de Liaisons des Enterprises de Consommation).

Peter West 9
General Manager, Australia, Pacific and Indonesia Business Unit
Appointed **May 2021**

Peter was appointed Vice President and General Manager of the API business unit in May 2021, following the Acquisition. Peter originally joined CCL as Managing Director, Australian Beverages in April 2018. Prior to this role, Peter was Managing Director of Lion's Dairy and Drinks business in Australia and has held several senior roles at Arnott's Biscuits Ltd and Mars Confectionery, including Regional President for Continental Europe for Mars Chocolate.

Ana Callol 10
Chief Public Affairs, Communications and Sustainability (PACS) Officer
Appointed **January 2022**

Ana leads CCEP's sustainability strategy, effective communication with stakeholders and employees, and engagement with media, policymakers and communities. Ana has worked within the Coca-Cola System for over 20 years in roles across the spectrum of marketing, sustainability, communications and public affairs. Her consumer and customer orientation and leadership experience helps CCEP accelerate its sustainability action plan, This is Forward, and strengthen the development and growth of PACS capabilities.

Stephen Moorhouse 6
General Manager, Great Britain Business Unit
Appointed **September 2020**

Stephen is responsible for CCEP's business unit in Great Britain. He has over 25 years' experience in the Coca-Cola system, leading business operations and supply chain. Stephen has held a number of other senior executive roles throughout Europe, most recently as General Manager of Northern Europe. Prior to joining, he worked overseas for the Swire Group in the US and Asian Pacific region. Stephen is a member of the British Soft Drinks Association. Stephen is also the multi generational inclusion executive sponsor at CCEP.

John Galvin 7
General Manager, Germany Business Unit
Appointed **June 2022**

John leads Coca-Cola Europacific Partners' business unit in Germany. John joined the business in 2019 and prior to his appointment as General Manager of Germany, held the role of Vice President Sales and Marketing for Germany. Previously, John led Coca-Cola İçecek's business in Pakistan, and he began his career with Diageo. He has held sales, marketing and general management roles across Europe and Asia, and brings significant international experience and leadership in the beverage sector to CCEP.

Senior management continued

Leendert den Hollander
General Manager,
Northern Europe Business Unit
Appointed **September 2020**

Leendert is responsible for CCEP's business unit in Northern Europe, including Belgium, Luxembourg, the Netherlands, Sweden, Norway and Iceland. Previously, he was General Manager of Great Britain. Prior to CCEP, Leendert was CEO of Young's Seafood and Managing Director at Findus Group Ltd. Earlier in his career, Leendert spent 15 years at Procter & Gamble in senior marketing positions. Leendert is also the gender balance and equality executive sponsor at CCEP.

Victor Rufart
Chief Integration Officer
Appointed **October 2016**

Victor leads business strategy and business transformation. Prior to joining CCEP, he was CEO of Coca-Cola Iberian Partners, S.A. and spent 25 years at Cobega, S.A. While with Cobega, S.A., he held a number of senior roles including Director of New Business, Head of Finance, advisor in the formation of the Equatorial Coca-Cola Bottling Company and Head of Tax Planning.

Francesc Cosano
General Manager,
Iberia Business Unit
Appointed **May 2016**

Francesc leads CCEP's business unit in Spain, Portugal and Andorra. He was previously the Operations Director then Managing Director of Coca-Cola Iberian Partners, S.A. Francesc has been part of the Coca-Cola system for over 30 years, and involved in a number of sales management positions, ultimately as Sales Director then Deputy General Manager. He has also worked as Regional Director for the Leche Pascual, S.A. Group, in Anglo Española de Distribución, S.A.

Véronique Vuillod
Chief People and Culture Officer
Appointed **November 2020**

Véronique heads CCEP's People and Culture function. Having joined the Coca-Cola bottling system more than 20 years ago, she has worked in many human resources (HR) positions across business units, commercial and supply chain functions overseeing HR strategy and partnering with business leaders. Most recently, Veronique was Vice President, People and Culture in France. She began her career as a management consultant with PricewaterhouseCoopers. She supports the promotion of inclusion and diversity, HR best practices in leadership and workplace, and innovations networks.

"We truly believe what makes CCEP so special is the culture of the Company and its people. And as many people say internally, we joined for the brand, but we stay for the people."

Véronique Vuillod
Chief People and Culture Officer



Corporate governance report

Governance framework

Our corporate governance framework is summarised below with further detail provided on the following pages

Stakeholders

Including our people, customers, suppliers, franchisors, investors, consumers and communities

Board of Directors

Provides overall leadership, independent oversight of performance and is accountable to shareholders for the Group's long-term success

Delegation

Audit Committee	Monitors the integrity of the Group's financial statements and results announcements, the effectiveness of internal controls and risk management, as well as managing the external auditor relationship
Environmental, Social and Governance (ESG) Committee	Oversees performance against CCEP's strategy and goals for ESG, reviews ESG risks facing CCEP, including health and safety and climate change risks, and the practices by which these risks are managed and mitigated, approves sustainability commitments and targets, and monitors and reviews public policy issues that could affect CCEP Full sustainability performance data for 2022 will be published on our website in May 2023
Nomination Committee	Sets selection criteria and recommends candidates for appointment as Independent Non-executive Directors (INEDs), reviews Directors' suitability for election/re-election by shareholders, considers Directors' potential conflicts of interest, oversees development of a diverse senior management pipeline and Director succession, and oversees wider people matters for the Group, including culture, diversity, succession, talent and leadership
Remuneration Committee	Recommends remuneration policy and framework to the Board and shareholders, recommends remuneration packages for members of the Board to the Board, approves remuneration packages for senior management, reviews workforce remuneration and related policies and principles, and governs employee share schemes
Affiliated Transaction Committee (ATC)	Has oversight of transactions with affiliates and makes recommendations to the Board (affiliates are holders of 5% or more of the securities or other ownership interests of CCEP)
Ad hoc Committees	• Disclosure Committee • Results and Dividend sub committee

Read more about our Audit Committee on pages 111-116

Read more about our ESG Committee on pages 117-118

Read more about sustainability including TCFD reporting on pages 26-63

Read more about our Nomination Committee on pages 108-110

Read more about our Remuneration Committee on pages 119-140

Accountability

Culture

Embodied by our Code of Conduct and ways of working

Strategy

Built on three pillars: great people, great service, great beverages. Done sustainably.

CEO

Empowered by authority of the Board to put agreed strategy into effect and run CCEP on a day to day basis

ELT

Team members with defined areas of responsibility support and report to the CEO

People

33,000 employees making, selling and distributing great beverages

Corporate governance report continued

Statement of compliance

The governance framework of the Company is set out in its Articles of Association (the Articles) and the Shareholders' Agreement. These provide a high level framework for the Company's affairs, governance and relationship with its stakeholders and its shareholders. The Articles, Shareholders' Agreement and frequently asked questions about the governance framework are available on the Company's website at cocacolaep.com/about-us/governance.

Statement of compliance with the UK Corporate Governance Code

We follow the UKCGC on a comply or explain basis. CCEP is not subject to the UKCGC as it has a standard listing of ordinary shares on the Official List. However, we have chosen to comply with the UKCGC where possible and explain areas of non-compliance to demonstrate our commitment to good governance as an integral part of our culture. Save as set out below, CCEP complied with the UKCGC during the year ended 31 December 2022.

A copy of the UKCGC is available on the Financial Reporting Council's (FRC) website: www.frc.org.uk/directors/corporate-governance/uk-corporate-governance-code.

Chairman
UKCGC provision 9

The Chairman, Sol Daurella, was not considered independent on either her appointment or election. However, we benefit from her vast knowledge of, and long-term commitment to, the Coca-Cola system and her extensive experience and leadership skills, gained from her roles as director and CEO of large public and private institutions across many different sectors.

Annual re-election
UKCGC provision 18

Sol Daurella, the Chairman, will not be subject to re-election during her nine year tenure following the completion of the Merger. This recognises the importance of her extensive experience and knowledge of the beverage industry, and the significant shareholding of Olive Partners, S.A. (Olive Partners) in the Company.

CCEP follows governance best practice with all other Directors standing for re-election annually at the Annual General Meeting (AGM).

Remuneration
UKCGC provision 32

The Remuneration Committee is not comprised solely of INEDs, although it is comprised of a majority of INEDs. The Shareholders' Agreement requires that the Remuneration Committee includes at least one Director nominated by:

- Olive Partners, for as long as it owns at least 15% of the Company
- European Refreshments Unlimited Company (ER), a subsidiary of TCCC, for as long as it owns at least 10% of the Company

The Remuneration Committee, and its independent Chairman, benefit from the nominated Directors' extensive understanding of the Group's market.

Remuneration
UKCGC provision 33

The Remuneration Committee is not solely responsible for setting the remuneration of the Chairman and CEO. Instead, the Board (excluding any Director whose remuneration is linked to the decision) determines their remuneration, including the Non-executive Directors (NEDs), on the recommendation of the Remuneration Committee and following rigorous analysis and debate. To date, the Board has followed all of the Remuneration Committee's recommendations.

Differences between the UKCGC and the Nasdaq corporate governance rules (the Nasdaq Rules)

The Company is classed as a Foreign Private Issuer (FPI). It is therefore exempt from most of the Nasdaq Rules that apply to domestic US listed companies, because of its voluntary compliance with the UKCGC. Under the Nasdaq Rules, the Company is required to disclose differences between its corporate governance practices and those followed by domestic US companies listed on Nasdaq. The differences are summarised below.

Director independence

The Nasdaq Rules require a majority of the Board to be independent. The UKCGC requires at least half of the Board (excluding the Chairman) to be independent. The Nasdaq Rules contain different tests from the UKCGC for determining whether a director is independent. The independence of CCEP's NEDs is reviewed by the Board on an annual basis, taking into account the guidance contained in the UKCGC and criteria established by the Board. It has determined that a majority of the Board is independent under the UKCGC and INED criteria, without explicitly taking into consideration the independence requirements outlined in the Nasdaq Rules.

Board Committees

CCEP has a number of committees whose purpose and composition are broadly comparable to the requirements of the Nasdaq Rules for domestic US companies. However, other than the Audit Committee, committee members are not all INEDs, although in all cases the majority are. Each committee has its own terms of reference (broadly equivalent to a charter document) which are reviewed annually and can be found on our website at cocacolaep.com/about-us/governance/committees.

Audit Committee

More information about the Audit Committee is set out in its report, including compliance with the requirements of Rule 10A-3 under the US Securities Exchange Act of 1934, as amended, and Rule 5605(c)(2)(A) of the Nasdaq Rules. The Audit Committee is comprised only of INEDs (who are also deemed independent under the Nasdaq Rules). However, the responsibilities of the Audit Committee (except for applicable mandatory responsibilities under the Sarbanes-Oxley Act) follow the UKCGC's recommendations rather than the Nasdaq Rules, although they are broadly comparable. One of the Nasdaq's similar requirements for the Audit Committee states that at least one member of the Audit Committee should be a financial expert. The Board has determined that Dessi Temperley, John Bryant, Dagmar Kollmann and Garry Watts possess such expertise and are therefore deemed financial experts as defined in Item 16A of Form 20-F. It was further determined that none of the Audit Committee members had participated in the preparation of the financial statements of the Company or any of its subsidiaries.

Corporate governance report continued

Code of Conduct

The Nasdaq Rules require relevant domestic US companies to adopt and disclose a code of conduct applicable to all Directors, officers and employees. CCEP has a Code of Conduct (CoC) that applies to all Directors and the senior financial officers of the Group. If the Board amends or waives the provisions of the CoC, details of the amendment or waiver will appear on the website. No such waiver or amendment has been made or given to date.

View our CoC at www.ccepcoke.online/code-of-conduct-policy

CCEP considers that the CoC and related policies address the Nasdaq Rules on the codes of conduct for relevant domestic US companies.

Read more about our CoC on page 62

Shareholder approval of equity compensation plans

The Nasdaq Rules for domestic US companies require that shareholders must be given the opportunity to vote on all equity compensation plans and material revisions to those plans. CCEP complies with UK requirements that are similar to those of the Nasdaq Rules.

NED meetings

The Nasdaq Rules require INEDs to meet without the rest of the Board at least twice a year. The UKCGC requires NEDs to meet without the Chairman present at least once annually to appraise the Chairman's performance. The NEDs have regular meetings without management present and, in 2022, there were two separate meetings of INEDs.

Board leadership and company purpose

Role of the Board

The Board is primarily responsible for the Group's strategic plan, risk appetite and oversight, systems of internal control and corporate governance policies, to ensure the long-term success of the Group, underpinned by sustainability.

Read more about the Board's role in risk oversight in Principal risks on pages 64-71, **TCFD** on pages 28-37 **and the Audit Committee report** on pages 111-116

To retain control of key decisions and ensure there is a clear division of responsibilities, there is a formal schedule of matters reserved to the Board, which sets out the structure under which the Board manages its responsibilities, and provides guidance on how it discharges its authority and manages its activities. Reserved matters include strategic decisions, approval of annual and long-term business plans, suspension, cessation or abandonment of any material activity of the Group and material acquisitions and disposals.

The Board, through the Nomination Committee, assesses and monitors the Group's culture to ensure it aligns with the Group's purpose, values and strategy set by the Board.

Read more about our strategy on page 21

See our Nomination Committee's report on pages 108 - 110

Table 1

Roles on the Board

Role	Responsibilities
Chairman	• Operating, leading and governing the Board • Setting meeting agendas, managing meeting timetables • Promoting a culture of open debate between Directors and encouraging effective communication during meetings • Creating the conditions for overall Board and individual Director effectiveness
CEO	• Leading the business • Implementing strategy approved by the Board • Overseeing the operation of the internal control framework
SID	• Advising and supporting the Chairman by acting as an alternative contact for shareholders and as an intermediary to NEDs
NEDs	• Providing constructive challenge, strategic guidance, external insight and specialist advice to the Board and its Committees • Holding management to account • Offering their extensive experience and business knowledge from other sectors and industries
Company Secretary	• Assisting the Chairman by ensuring that all Directors have full and timely access to relevant information • Advising the Board on legal, compliance and corporate governance matters • Organising the induction and ongoing training of Directors

Board activities during the year

The Chairman sets the Board agenda, which consists of the following discussion matters:

- Updates from the CEO, the CFO and other key senior executives on the business performance and key business initiatives
- Corporate governance
- Diversity
- Sustainability
- Material expenditure and other Group matters

Strategy was also a key focus of discussions and the Board considered and debated consumer trends focusing on investment in sustainability, digital, supply chain innovation and growth.

Key topics discussed by the Board during the year are set out on page 100

Training and development

To ensure constructive challenge to management by the Board, training and development opportunities are provided to the Board in a wide range of topical areas in multiple formats including:

- Briefings – to focus on matters of interest to CCEP such as the bottling industry as well as on relevant commercial, legal and regulatory developments
- Deep dive sessions – to address requests from Directors to better understand CCEP or the environment in which it operates such as its markets
- Site visits – to Group businesses, production facilities and commercial outlets to enhance knowledge of CCEP operations and meet employees, suppliers and customers
- External speakers – to receive insights from experts and engage with stakeholders.

Some highlights from the programme for 2022 are set out on page 101

Corporate governance report continued

Board activities

Key topics discussed by the Board during 2022.

The table adjacent aims to provide insight into the range of topics discussed that align with its strategic objectives towards its aim of promoting the long-term success of CCEP.

In addition, at Board meetings the Directors receive reports back from Committee Chairs, business and commercial updates from the CEO, finance reports from the CFO and reports covering governance and regulatory updates from the Company Secretary.

Strategic objectives key

- Great people
- Great service
- Great beverages
- Done sustainably

Area of focus	Discussion topics	Strategic objectives
Risk	• Assessment of market uncertainty, sanctions, risks and increased costs as a result of the war in Ukraine	Great service
	• Changes to retail environments and customer challenges	Great service
	• Review of competitors and market analysis	Great service
	• Safety and oversight of management's response to fatalities	Great people
People	• People strategy including performance acceleration, employee engagement, talent, learning and development and future ready leadership	Great people
	• Promoting employee inclusion, diversity and equity	Great people
	• Review of wider workforce remuneration	Great people
	• Piloting new technologies to keep our people safe	Great people
Sustainability	• Continual monitoring of our sustainability performance and climate strategy	Done sustainably
	• Defining our sustainable packaging strategy	Done sustainably
	• Investment in sustainability innovation	Done sustainably
	• Approval of the updated CCEP-wide This is Forward sustainability action plan	Done sustainably
Commercial	• Progress towards improving route to market development	Great service
	• Driving API integration into the business, including reorienting the API portfolio	Great beverages
	• Increasing consumer choice by innovating on flavours and growing our portfolio of products and monitoring performance of innovations	Great beverages
	• Development of relationship with TCCC and other franchisors	Great beverages
Finance	• Approval of capital expenditure and dividend payments	Great service
	• Continued support for our innovation investment fund, CCEP Ventures	Great beverages
	• Progress made on the digital transformation programme	Great service
	• Monitoring pricing challenges and opportunities	Great service

Corporate governance report continued

Board training and development

This timeline highlights some of the training and development opportunities received by the Board in 2022.

2 March 2022

Northern Europe Business Unit

A deep dive of the Northern Europe business unit was presented.

"Partnering with our customers to make meaningful progress on sustainability together."

Leendert den Hollander, General Manager, Northern Europe

10 March 2022

GB Business Unit

A deep dive of the GB business was presented.

"Continuing to grow sparkling soft drinks share."

Stephen Moorhouse, General Manager, GB

5 April 2022

Climate change

A deep dive on climate change including causes and impacts, strategy and actions and future challenges was presented by our VP, Sustainability, Joe Franses.

27 May 2022

Iberia Business Unit

A deep dive on the unit's current position and strategy was presented.

"Iberia's contribution to CCEP leverages on a profitable business with efficient operations."

Francesc Cosano, General Manager, Iberia

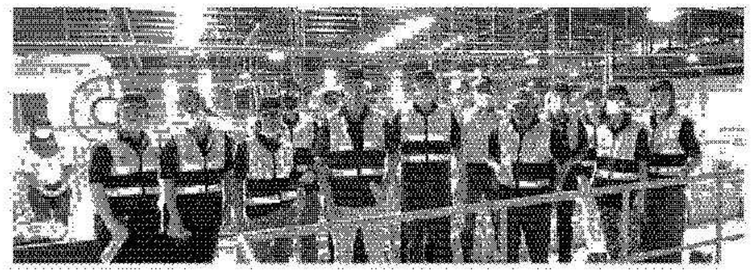
7 June 2022

Franchisor agreements

A briefing on franchisor agreements and relationship was provided by management.

20 July 2022

Site visit to Bekasi production facility and Amandina recycling plant, Indonesia



6 September 2022

Rewards philosophy and policy

A training session on CCEP's global rewards philosophy, wider workforce remuneration and market trends.

14 September 2022

Economic outlook

A briefing on economic outlook in CCEP markets and globally, as well as the long-term trends in relation to energy, supply chain, labour and consumer markets was provided by an expert economist.

4–6 October 2022

Site visit to new shared service centre in Varna, Bulgaria



18 October 2022

Site visit to Mannheim production facility, Germany



8 November 2022

Data and analytics for growth

A training session on CCEP data foundations and commercial analytics, change investment and data trends was provided by our Chief Data and Analytics Officer, Laia Collazos.

16 December 2022

Next generation technology architecture

An insight into CCEP's business transformation plans to standardise and optimise business processes was provided by our Chief Information Officer, Peter Brickley.

Corporate governance report continued

Stakeholders

How the Board engages

The Board understands the importance of stakeholder engagement and strives to understand the views of CCEP's key stakeholders. Stakeholders are reviewed by the Board annually to ensure Directors have the right engagement and information to understand stakeholders' input to our business and our impact on them. This enables the Board to better consider stakeholders' interests in Board discussions and decision making.

Our Section 172(1) statement can be found on page 18.

CCEP's key stakeholders and how CCEP engages with them more generally is explained on pages 14-17

Our people

The terms of reference and remit of the Remuneration Committee include remuneration policy at all levels across the Group, aligned with the Company's long-term strategic goals. The Nomination Committee's terms of reference and remit include key people matters relating to culture, succession planning and diversity. The Chairmen of those committees are responsible for championing, and reporting back to the Board on these matters. The Board also takes the opportunity to engage with our people directly. During the year, our Board met with Inclusion, Diversity and Equity (ID&E) ambassadors to hear about their experiences in person.

Read more in the Nomination Committee report on pages 108-110

The ESG Committee updates the Board on whistleblowing arrangements, reports and investigations. During the year, as part of its terms of reference review, these matters and others such as health and safety became the remit of the ESG Committee with relevant matters still brought to the Audit Committee.

Read more in the Audit Committee report on page 116

Our shareholders

Engagement with both existing and potential shareholders is important to the Board. On behalf of the Board, our CEO, CFO and the Investor Relations team engage with investors and analysts throughout the year. The Chairman also attended the capital markets event in November and met with investors.

The CFO provides regular updates to the Board on the views of shareholders, including the share register, share price performance and investor sentiment. The Board is routinely kept up to date on the wider Investor Relations programme.

Our franchisors

Our Board engages both directly and indirectly with our franchisors. The Board receives regular updates on franchisors through reports from the CEO and the Chief Commercial Officer, as well as ATC updates including on performance, relationships and key issues. Some Directors, including the CEO and Chairman, engage regularly with TCCC, and the CEO and CFO regularly meet other franchisors. The Board also received updates from TCCC in Indonesia at the July Board meeting on growth opportunities and strategy in the region, particularly the role of Indonesia.

Our suppliers

The CEO and CFO inform the Board on key supplier relationships and payments. Supplier risk management is also a topic of discussion at the Board generally and as part of the annual Enterprise Risk Management discussions. We have Supplier Guiding Principles considered at Board level setting out requirements of our suppliers, for example, in relation to human rights, health and safety, the environment and other matters.

Read more in Forward on supply chain on pages 49-52

Our customers

The Board receives periodic presentations from select customer leaders and in 2022 visited a wholesaler in Great Britain (GB). The Board remains committed to understanding our markets and customers. Market visits in GB, Indonesia and Germany were arranged in 2022 where the Board experienced first hand field sales activation, marketing and adding value for retailers.

The CEO also provides regular updates to the Board on customers, including pricing and negotiations, joint value creation and customer satisfaction metrics. The Board is updated regularly on both category and channel growth, together with changes in coverage and execution performance which support growth for our customers. Customers were also discussed at the Board strategy session in September 2022.

Our consumers

CCEP has limited direct engagement with consumers, therefore, the Board's engagement is also limited though Directors have the opportunity to engage directly with consumers through market visits.

The Board attends presentations on trends and behavioural patterns that could affect consumers and our interaction with them. In addition, the Board is kept informed about portfolio developments by the CEO and via updates from the Chairman of the ATC, responsible for overseeing CCEP's relationships with franchise partners.

During 2022, the ESG Committee received an update from TCCC on consumer-focused sustainability, marketing and communications. The Audit Committee receives updates on any material incidents affecting consumers.

Our communities

The ESG Committee is responsible for overseeing CCEP's relationship with communities under the Social pillar of its remit.

Information and updates on CCEP's community partnerships are provided to the ESG Committee, including reports on local water stress and the health of watersheds.

The Chairman of the ESG Committee provides the Board with detailed updates at most Board meetings. During 2022, the ESG Committee and Board considered and approved a new This is Forward society target to support the skills development of 500,000 people facing barriers in the labour market by 2030 to benefit the communities in which we operate.

Read more in Forward on society - communities on pages 56-57

Corporate governance report continued

Principal decisions

The Board considers "Principal decisions" to be those decisions of strategic importance which may have a significant long-term impact on CCEP's business, including financial and non-financial performance, and consequences for its stakeholders. Specific examples of key areas of focus and considerations affecting the Board's decision making process during 2022 are set out below.

Advancing sustainability commitments

The Board approved the updated CCEP wide sustainability action plan, This is Forward.

Read about our sustainability action plan in detail on pages 26-63

To help the Board make the decision, the Board received reports from the ESG Committee, which oversaw the process to update the commitments following escalation by the Sustainability Steering Committee. A joint meeting of the Audit and ESG Committees was also held to review the assurance of the This is Forward metrics.

The Board considered the long-term implications of the decision and the proposed metrics to track the outcomes of the decision with management, along with disclosure and assurance.

The Board received information as part of the Company Secretary's Governance updates to better understand the regulations around sustainability, including disclosure rules and reporting requirements.

Along with the need to measure CCEP's progress against the proposed sustainability commitments, the Board was also mindful of the importance of assurance and explaining the metrics and targets transparently to ensure CCEP was accountable to its stakeholders.

The views of stakeholders consulted in developing the plan, including TCCC, suppliers, customers and communities, were fed back by management to the ESG Committee, and in Committee reports to the Board. The impacts on each stakeholder group were considered. For example, our new commitment to support the skills development of those facing barriers in the labour market aims to have a positive impact on this important stakeholder group.

The Board also considered among other things how the updated sustainability plan supports value creation for customers and how best to align CCEP's commitments with TCCC's global sustainability commitments and World Without Waste plan.

In addition, related to our sustainability action plan, the Board reflected on the risks and opportunities, such as the ability to deliver the updated sustainability commitments and the potential reputational impact of not meeting the commitments versus value creation for shareholders, and protecting CCEP's licence to operate by aligning with societal expectations.

Having taken such factors into account and the Section 172 duty to have regard to its wider stakeholders and also the impact of the Company's operations on the community and the environment, the Board approved the updated sustainability commitments and considered the decision would be in the best interest of CCEP's shareholders as a whole and promote the success of the Company.

Dividend payments

The Board made decisions on returning cash to shareholders towards its objective to ensure sustainable shareholder returns within a consistent and disciplined capital allocation framework.

The Board decided that dividend payments would be the most effective way to return cash to shareholders. Fundamental to the decision was our dividend policy in which CCEP is committed to a 50% dividend payout ratio (comparable profit after tax basis).

To ensure the Board had the information required to make the dividend decisions, the CFO presented papers to the Board outlining the financial position of the Company and confirming that the Company had sufficient distributable reserves to pay the proposed dividends. The Board was also presented with other relevant factors such as liquidity and earnings forecasts. The Board considered the financial performance of CCEP and reflected on the views and interests of shareholders fed back from external brokers, analysts and investors in Investor Relations' meetings.

In deciding on the dividend payments, the Board considered the various stakeholders who had a long-term interest in the Company, including employees, customers and suppliers. The Board opined on the need to balance shareholder interests with maintaining an optimal capital structure, including the need to pay down debt, to support CCEP's strategic objectives for the benefit of CCEP's wider stakeholders, such as its customers and communities.

Having considered these factors and also taken into account its Section 172 duty to other stakeholders, the Board was pleased to approve two dividend payments in 2022 totalling €1.68 per share. The dividend payments maintained a dividend payout ratio of approximately 50%, demonstrating the strength and resilience of CCEP's business, as well as its ability to deliver continued shareholder value and promote the long-term sustainable success of the Company.

Read more in our Business and financial review on pages 74-85

Acquisition of TCCC's stake in CCBI

Following a recommendation from the ATC, the Board approved the purchase of TCCC's 29.4% minority share in our Indonesia business, PT Coca-Cola Bottling Indonesia (CCBI), increasing CCEP's ownership to 100%.

To aid decision making, the ATC received a number of materials presented by members of the ELT which included information on the strategic objective notably the desire to simplify ownership of CCBI and operations in Indonesia, and with regard to the longer-term implications, the financial rationale for the transactions and scenarios to help the ATC understand the potential impact of the transaction on the financial performance of the Company. This included the positive financial performance of CCBI and future growth prospects, taking into account potential headwinds including from plastic and sugar taxes, with sugar tax implementation expected in 2024.

The ATC also considered CCEP's latest forecasts for the business. The Board were kept regularly updated by management as the transaction progressed.

In taking its decision, the ATC sought the views of stakeholders via management, including Peter West, GM API, and considered there to be a number of benefits. This included demonstrating to our franchise partner, TCCC, customers and shareholders our commitment to the future of Indonesia as a market.

The Board subsequently received reports back from the Chair of the ATC following each of its discussions on the matter in addition to having the ability to access the materials that were provided to the ATC. TCCC nominated-Directors recused themselves from the discussions that involved TCCC.

Following due consideration, the Board agreed to proceed with the transaction on the basis that it was considered in the best interests of the Company's shareholders as a whole and would promote the long-term success of CCEP.

Succession planning

In addition to the above key decisions, the Board, taking into account the views of stakeholders, made decisions through new appointments, to ensure the Board, its Committees and senior management had the right combination of skills, experience and knowledge to lead CCEP in meeting the Company's strategic objectives towards long-term success.

Read more in our Nomination Committee report on pages 108-110

Corporate governance report continued

Division of responsibilities

Governance structure

The Board, led by the Chairman, is responsible for the leadership of the Group. While both the Executive Director and NEDs have the same duties and constraints, they have different roles on the Board (see Table 1 on page 99). There is a clear, written division of responsibilities between the Chairman and the CEO. The Board has approved a framework of delegated authority to ensure an appropriate level of Board contribution to, and oversight of, key decisions and the management of daily business that support its long-term sustainable success. This framework has been designed to enable the delivery of the Company's strategy and is outlined in our governance framework on page 97.

The Board delegates certain matters to its Committees. Each Committee has its own written terms of reference, which are reviewed annually. These are available at cocacolaep.com/about-us/governance/committees.

The CEO with the ELT manages the day to day business. All decisions are made in accordance with our chart of authority, which defines our decision approval requirements and ensures that all relevant parties are notified of decisions impacting their area of responsibility.

Board and Committee meetings

The Board held six formal meetings during 2022, with additional ad hoc meetings with Board and Committee members held in line with business needs. Directors are expected to attend every meeting. If a Director is unable to attend, the relevant papers are provided to that Director in advance so that comments can be given to the Chairman or Committee Chairman, as applicable, who relays them at the meeting. Afterwards, the Chairman or Committee Chairman, as applicable, also briefs the Director on the matters discussed.

Attendance during 2022 is set out in Table 2 on page 105. The Chairman attends most Committee meetings. There is cross membership between the Audit Committee and Remuneration Committee. This helps ensure remuneration outcomes align with the underlying performance of CCEP. This reflects CCEP's joined up approach to investing in and rewarding our people. Cross membership between Committees enables active collaboration and liaison across Committees.

At the end of most Board meetings, two sessions are held: one that all Directors attend, without management present, and the other that all NEDs attend, without management or the CEO present. In 2022, there were also two separate meetings of INEDs. Directors may raise any matter they wish for discussion at these sessions.

Board support

Board meetings are generally scheduled at least one year in advance, with ad hoc meetings arranged to suit business needs. Meetings are held in a variety of locations, reflecting our engagement with all aspects of our international business.

The agenda of Board meetings follow our annual Board programme. This sets out the standing items at each meeting, such as periodic activities (including results and AGM documentation), business plan and the assessment of Board evaluation results.

Before the Board meeting, the Chairman, CEO and Company Secretary agree the final agenda. This covers discussion items such as the status of ongoing projects and stakeholder considerations. Comprehensive briefing papers are circulated electronically to all Directors, to allow time to review the matters which are to be discussed.

Throughout the year Directors have access to the advice and services of the Company Secretary and independent professional advice, at the Company's expense.

Board paper review

In 2022, actions were taken to implement the improvements from the externally facilitated Board paper review undertaken by Independent Audit (IA). IA does not have any connection with the Board or any individual Director.

Following the review:

- The format and content of Board papers have become clearer and more concise with greater use of appendices for detail.
- The Board paper preparation process is more streamlined with greater collaboration between teams drafting the papers for each Committee and the Board.
- Authors of papers receive direct feedback from the meetings, including actions and improvements, directly from the Company Secretariat team.

Independence of Non-executive Directors

The Board reviewed the independence of all the NEDs against the UKCGC and also considered the requirements of SEC Rule 10A-3 in relation to the Audit Committee.

It determined that Jan Bennink, John Bryant, Christine Cross, Nathalie Gaveau, Thomas H. Johnson, Dagmar Kollmann, Mark Price, Dessi Temperley and Garry Watts are independent and continue to make effective contributions. At its meeting in February 2023, the Board determined that Mary Harris and Nicolas Mirzayantz joining the board, subject to their election at the May 2023 AGM are also independent.

The Board recognises that Nancy Quan (joining the Board subject to her election at the May 2023 AGM) cannot be considered independent as the appointment was nominated by ER, a wholly owned subsidiary of TCCC, which owns at least 10% of the Company.

The Board recognises that the remainder of CCEP's NEDs, including the Chairman, cannot be considered independent. However, they continue to demonstrate effective judgement when carrying out their roles and are clear on their obligations as Directors, including under section 172 of the Companies Act.

Our CEO, Damian Gammell, is not considered independent because of his executive responsibilities to the Group.

Consequently, the majority of the Board are independent.

Conflicts of interest

The UK Companies Act 2006 (the Companies Act), the Articles and the Shareholders' Agreement allow the Directors to manage situational conflicts (situations where a Director has an interest that conflicts, or may conflict, with our interests). The ATC exists to oversee transactions with affiliates. The Nomination Committee considers issues involving potential situational conflicts of interest of Directors. Each Director is required to declare any interests that may give rise to a situational conflict of interest with CCEP on appointment and subsequently as they arise. Directors are required to review and confirm their interests annually. The Board is satisfied that the systems for the reporting of situational conflicts are operating effectively.

Corporate governance report continued

Table 2
Meeting attendance by Board and Committee members[A]

	Independent or nominated by Olive Partners or ER[B]	Board of Directors	Affiliated Transaction Committee	Audit Committee[J]	ESG Committee[J]	Nomination Committee	Remuneration Committee
Chairman							
Sol Daurella	Nominated by Olive Partners	6 (6)	4 (4)			5 (5)	
Executive Director							
Damian Gammell	CEO	6 (6)					
Non-executive Directors							
Manolo Arroyo	Nominated by ER	6 (6)				5 (5)	6 (6)
Jan Bennink	Independent	6 (6)	4 (4)		5 (5)		
John Bryant	Independent	6 (6)		9 (9)			6 (6)[I]
José Ignacio Comenge[C]	Nominated by Olive Partners	6 (6)	1 (1)				4 (4)
Christine Cross	Independent	6 (6)				5 (5)	6 (6)
Nathalie Gaveau	Independent	6 (6)			5 (5)		
Álvaro Gómez-Trénor Aguilar	Nominated by Olive Partners	6 (6)					
Thomas H. Johnson	SID	6 (6)				5 (5)[I]	6 (6)
Dagmar Kollmann	Independent	6 (6)	4 (4)[I]	9 (9)			
Alfonso Líbano Daurella[D]	Nominated by Olive Partners	6 (6)	3 (3)		1 (1)		
Mark Price[E]	Independent	5 (6)			5 (5)	5 (5)	
Mario Rotllant Solà[F]	Nominated by Olive Partners	6 (6)			4 (4)[I]		2 (2)
Brian Smith[G]	Nominated by ER	5 (6)			4 (5)		
Dessi Temperley[H]	Independent	5 (6)		8 (9)[I]			
Garry Watts	Independent	6 (6)	4 (4)	9 (9)			

(A) The maximum number of scheduled meetings in the period during which the individual was a Board or Committee member is shown in brackets.
(B) Nominated pursuant to the Articles of Association and terms of the Shareholders' Agreement.
(C) Effective May 2022, José Ignacio Comenge resigned as a member of the Affiliated Transaction Committee and was appointed as a member of the Remuneration Committee.
(D) Effective May 2022, Alfonso Líbano Daurella resigned as Chairman and member of the ESG Committee and was appointed as a member of the Affiliated Transaction Committee.
(E) Mark Price was unable to attend the September 2022 Strategy meeting due to other pre-agreed commitments.
(F) Effective May 2022, Mario Rotllant Solà resigned as a member of the Remuneration Committee and was appointed as Chairman and member of the ESG Committee.
(G) Brian Smith was unable to attend the December 2022 Board and ESG Committee meetings due to other pre-agreed commitments.
(H) Dessi Temperley was unable to attend the March 2022 Board and Audit Committee meetings and Garry Watts consented to act as her alternate.
(I) Chairman of the Committee.
(J) One meeting was a joint meeting of the Audit Committee and ESG Committee held in October 2022.

Corporate governance report continued

Composition, succession and evaluation

Board diversity and composition

The composition of the Board and its Committees is set out on page 105. As their biographies on pages 89–93 show, our Board members have a range of backgrounds, skills, experience and nationalities, demonstrating a rich cognitive diversity.

See an overview of our Directors' skills and experience on page 88

Read more about the Group's approach to ID&E on pages 58–63

Our commitment to diversity begins at the top, with clear leadership from our Board, and is embedded at every level of our business through our Inclusion and Diversity policy, This is Forward and the CoC.

We are pleased to announce that subject to the election of the Directors proposed at our May 2023 AGM, we will have achieved our 33% female Board membership target and met our ambition to appoint at least one Director from an ethnic minority background. Female representation on our Board will increase to 35.3% from 29.4% in 2022.

The Board considers that it would be appropriate to have 40% female representation overall and will, with its stakeholders, work towards that as a longer-term aim.

The Nomination Committee is committed to overseeing a diverse pipeline for senior management and Director positions.

Read more about Board succession and diversity on pages 106 and 108–110

Election and re-election of Directors

The Board has determined that the Directors, subject to continued satisfactory performance, shall stand for re-election at the May 2023 AGM with the exception of the Chairman as explained on page 98. Jan Bennink, Christine Cross and Brian Smith will retire from the Board at the conclusion of the 2023 AGM. The Board is confident that each Director will carry on performing their duties effectively and remain committed to CCEP.

The Board has also determined that Mary Harris, Nicolas Mirzayantz and Nancy Quan should stand for election at the 2023 AGM.

Mary Harris

Mary Harris brings to the Board a top level strategic outlook with international and consumer focus from her time as partner at McKinsey and Co and as a Non-executive Director. Mary is currently a Non-executive Director and a member of the Nomination and Audit and Risk Committees at ITV plc. She is also the Designated Non-executive Director for workforce engagement and a member of the Remuneration Committee at Reckitt plc and a Supervisory Board member at HAL Holding N.V. Mary has previously held non-executive Director positions at Unibail-Rodamco-Westfield, Sainsbury's and TNT Express and TNT N.V.

Nicolas Mirzayantz

Nicolas Mirzayantz brings to the Board over 30 years of strategic, operational and business transformation experience at IFF, a multinational industry-leading supplier to FMCG customers that creates ingredients and essential solutions for food, beverage, health, scent, biosciences and sensorial experiences. Most recently serving as President, Nourish Division, he was previously the Divisional CEO for the Scent Division during a period of historic and transformational mergers. During his tenure, he was a champion of sustainability, setting the foundation for IFF's industry-leading ESG+ initiatives. Nicolas previously served on the Board of the International Fragrance Association (IFRA), the official representative body of the fragrance industry worldwide and was a Cultural Leader at the World Economic Forum.

Nancy Quan

Nancy Quan has extensive knowledge of the Coca-Cola system having worked with the company since 2007 in leadership roles spanning innovation and consumer trends, research and development, and supply chain. As Senior Vice President and Chief Technical and Innovation Officer for TCCC, she oversees a networked team that creates innovation pipelines to enable short-term and long-term growth, and drives transformational and scalable supply chain solutions to maximise customer and consumer value. Nancy serves on the Board of Directors for the Liberty Mutual Group and the Industry Affiliates Advisory Board for the University of California Davis MBA Program, and is an active member of the FIRST (For Inspiration and Recognition of Science and Technology) Executive Advisory Board.

The NED terms of appointment are available for inspection at the Company's registered office and at each AGM. Among other matters, these set out the time commitment expected of NEDs. The Board is satisfied that the other commitments of all Directors do not interfere with their ability to perform their duties effectively.

See the significant commitments of our Directors in their biographies on pages 89–93

Board evaluation

In line with best practice, we conduct an external Board evaluation at least once every three years. We did this last in 2021.

Given the depth and breadth of the 2021 external effectiveness review, it was determined that an internal Board evaluation process was appropriate for 2022. The Board appointed Lintstock to support a questionnaire based exercise, alongside interviews with all Directors by the SID. Lintstock has no other connection with CCEP or any individual Director.

The questionnaire and interview responses were collated and reports produced on the performance and effectiveness of the Board, each Committee as well as the Directors. The Board discussed the results openly and constructively.

Overall, the Board confirmed that it continued to perform effectively. Board culture, its relationship with senior management and Board support were highly rated but some areas for further improvement were identified. These are set out in Table 3 on page 107.

Corporate governance report continued

Table 3
2022 Board evaluation findings and actions

	Culture and engagement	Strategic topics	Board composition	Information flow and quality
2022 findings	Foster and enhance relationships with the ELT and API stakeholders.	Review Board focus on strategic topics including in relation to sustainability, brand portfolio and technology.	Review diversity of the Board in terms of gender, ethnicity and other skills aligned with the Group's geographical footprint.	Enhance the quality and flow of information to the Board.
Actions undertaken in 2022	March 2022 saw the return of physical meetings with the Board and ELT. The May 2022 meeting held in London, included an Employee Townhall, lunch with ID&E Ambassadors and dinner with the Iberian leadership team. Engaged with API leadership, employees and joint venture partner during site visits to Indonesia in July 2022. Reviewed CCEP's key stakeholder groups in October 2022.	Board meetings throughout the year, as well as the Board strategy session held in September 2022, provided the Board with greater visibility of competitor analysis, product innovation, technology and automation and sustainable packaging.	Characteristics above were considered as part of the Nomination Committee's search for new INEDs. Further details on Board succession and diversity can be found in the Nomination Committee report on page 109.	Sessions were held with relevant people within the business with input from external consultants (Independent Audit) on refining the content of papers and presentations to be more succinct. The approach to delivery of papers was revised to provide timely insight to Board members. Improvements were evident from May 2022 onwards.

Table 4
Disclosure of compliance with provisions of the Audit, risk and internal control and Remuneration sections of the UKCGC

Items located elsewhere in the 2022 Integrated Report	Page(s)
Directors' responsibilities statement	144
Directors' statement that they consider the Integrated Report and financial statements, taken as a whole, to be fair, balanced and understandable	144
Going concern statement	143
Assessment of the Group's principal risks	64–71
Viability statement	72
Risk management and internal control systems and the Board's review of their effectiveness	71
Audit Committee report	111–116
Directors' remuneration report	119–140

Audit, risk and internal control and Remuneration

Disclosures of compliance with provisions of the Audit, risk and internal control and Remuneration sections of the UKCGC are located elsewhere in this Integrated Report. These disclosures include descriptions of the main features of CCEP's internal control and risk management systems as required by Rule 7 of the Disclosure Guidance and Transparency Rules (DTRs). Table 4 sets out where each respective disclosure can be found.

Annual General Meeting

The AGM continues to be a key date in our annual shareholder calendar.

At our 2022 AGM, we were pleased that all resolutions were passed by more than 80% of those voting.

The 2023 AGM of the Company will be held on 24 May. The Notice of AGM will set out further details and a full description of the business to be conducted at the meeting. This will be available on our website from the time of its posting to shareholders in April 2023.

The Chairman, SID and Committee Chairmen are available to shareholders for discussion throughout the year to discuss any matters under their areas of responsibility, by contacting the Company Secretary.

Read more about our engagement with investors on pages 15 and 102

Sol Daurella, Chairman
17 March 2023

Nomination Committee Chairman's letter



"Strengthening the capabilities of our people and our leaders is key."

Thomas H. Johnson,
Chairman of the Nomination Committee

Dear Shareholder

I am pleased to report on the work of the Nomination Committee during 2022.

Succession planning

An important part of the Committee's role is succession planning as well as ensuring that the Board, its Committees and senior management have the right combination of skills, experience, knowledge and cognitive and other diversity.

The Committee made great progress in this regard with three excellent candidates, Mary Harris, Nicolas Mirzayantz and Nancy Quan, being put forward for election at the AGM in May 2023. The Committee had in mind the desirability of greater strength in API markets, innovation, and ESG as well as increasing cognitive, gender and ethnic diversity when carrying out the search. I would also like to thank Brian, Christine and Jan who will be retiring at the AGM for their invaluable contributions.

The Committee also oversaw Board Committee membership changes during the year with the aim of ensuring fresh perspectives and challenge at meetings as well as ELT membership changes ensuring we have the right leaders in the right critical roles for now and the future.

Read more about succession planning on page 109 **and Committee changes** on page 93

People and culture

The Committee continued to play an important role in overseeing CCEP's approach to culture for its people. This was facilitated through updates from management on ID&E and wellbeing initiatives, people development plans both for senior and early careers, and also updates on API people integration. In addition, the Committee received data and actionable insights about our people and monitored the results and actions of the Group's employee engagement survey and progress through a regular scorecard.

Read more about our people on pages 58-63

Board and Committee effectiveness

The Committee implemented the actions from the 2021 evaluation. The 2022 review determined that the Committee continued to operate effectively.

The Committee recommended to the Board that an internal Board evaluation process be undertaken in early 2023 similar to that undertaken in 2022. The Board agreed and appointed Lintstock to support a questionnaire based exercise, alongside interviews of all Directors by the SID.

Availability to shareholders

I am available to shareholders throughout the year to answer any questions on the work of the Committee.

Thomas H. Johnson,
Chairman of the Nomination Committee
17 March 2023

Looking forward to 2023

- Continue to focus on securing diverse INED candidates to further enhance the Board's diversity of skills, with relevant experience and covering our expanded geographical footprint
- Monitor and drive This is Forward goals, particularly the key actions regarding our people
- Assess and monitor the strategy for talent management to grow our capabilities
- Continue to support management to foster a culture that supports the physical and mental safety of all our people



Nomination Committee report

Nomination Committee role

The key duties and responsibilities of the Committee are set out in its terms of reference. These are available at cocacolaep.com/about-us/governance/committees and include:

- Reviewing and making recommendations to the Board on Board appointments, re-elections and Board and Committee composition
- Overseeing the evaluation of the Board
- Ensuring and overseeing succession planning of the Board and senior management talent pipeline
- Assessing and monitoring culture and ensuring effective engagement with our people

Membership

	Member since
Thomas H. Johnson (Chairman)	May 2019
Manolo Arroyo	May 2021
Christine Cross	May 2019
Sol Daurella	May 2016
Mark Price	May 2019

Activities of the Nomination Committee during the year

The Committee has a process for planning its future meeting agendas and topics to be considered. Table 1 on page 110 sets out the matters considered by the Committee during 2022. Further detail is provided in this report. The Committee met five times during the year.

See details of attendance at meetings on page 105

Board composition and diversity

As delegated by the Board, the Committee continuously keeps the composition of the Board under review, with the aim of maintaining a well balanced Board with the right mix of individuals who bring a wide range of expertise, experience and diversity to align with the Group's long-term strategy.

See our diversity policy including INED selection criteria at cocacolaep.com/about-us/governance

We are pleased to announce that subject to the election of the Directors proposed at our AGM in May 2023, we will have achieved our 33% female Board membership target and met our ambition to appoint at least one Director from an ethnic minority background. Female representation on our Board will increase to 35.3% from 29.4% in 2022.

The Board considers that it would be appropriate to have 40% female representation overall and will, with its stakeholders, work towards that as a longer-term aim.

The Board and the Nomination Committee recognise the benefits that diverse characteristics have to offer. In 2022, the Committee updated the Board's diversity policy and INED selection criteria to include aspects such as age, sexual orientation, disability, socioeconomic background as well as educational and professional background. Across Board membership, the policy drives balance and alignment with CCEP's purpose, strategy and values, through agreed principles and targets which reflect the measures the Board will take when considering its own membership and approach.

Our Board-level diversity statistics are disclosed in accordance with the Nasdaq Rules in Table 2 on page 110. Gender of senior management and their direct reports can be found on page 59.

Non-executive Director succession

During the year, the Committee considered the Board roles that would need to be recruited for as current INED appointments approached the maximum terms envisaged by the UK Corporate Governance Code, taking into account the review of Directors' skills as well as actions identified in the Board Evaluation.

External recruitment consultant firms, MWM Consulting and Russell Reynolds Associates, were appointed to help identify potential INED candidates. The Chairman and other Committee and Board members interviewed the potential candidates in 2022. This process resulted in the Committee's recommendation to the Board and subsequent approval by the Board that Mary Harris and Nicolas Mirzayantz be appointed to the Board in May 2023 subject to their election given their diverse skillsets and relevant experience applicable to CCEP's expanded geographical footprint. This was announced to the market on 15 February 2023.

MWM Consulting has no connection with the Board or any individual Director. Russell Reynolds Associates supported some of CCEP's other recruitment activities in the UK and Germany in 2021 in addition to the 2022 INED search. It has no other connection to CCEP and has no connection to any individual Director.

Also announced on 15 February 2023, and in accordance with CCEP's Articles and Shareholders' Agreement, ER nominated NED, Nancy Quan will replace Brian Smith on the Board. You can find the list of Non-executive Directors determined to be independent on page 104.

See an overview of our Directors' diversity, skills and experience on page 88

Director inductions

The Nomination Committee reviews the induction programme for new Directors. All new Directors will receive a suite of induction materials as well as mentorship from established Directors. Meetings with members of the Board and the ELT and site visits in a number of our markets are also arranged.

Senior management succession

The Committee is committed to supporting the development and progression of diverse talent at senior management level. The Committee considers and recommends succession plans for the Group's ELT to the Board.

The Committee oversaw the appointment of Ana Calil, Chief Public Affairs, Communications and Sustainability Officer on 1 January 2022 succeeding Lauren Sayeski. It also oversaw the appointment of John Galvin, General Manager, Germany, who succeeded Frank Molthan on 1 June 2022.

The Committee also discussed and monitored progress towards ID&E objectives including CCEP's ambition to have 45% women in roles at senior management level and above by 2030, as well as a new target of 10% of our workforce represented by people with disabilities by 2030.

Nomination Committee report continued

Table 1
Matters considered by the Nomination Committee during 2022

Meeting date	Key agenda items
March 2022	• People strategy and priorities • Commercial capabilities • Social and society impact • Nomination Committee Report in the 2021 Integrated Report • NED Independence and re-elections at the AGM • Director succession, particularly INEDs • Committee evaluation
May 2022	• Social and society impact • Our people: Inclusion, Diversity and Equity plan • Succession planning for ELT and senior management • Director succession, particularly INEDs • Terms of Reference annual review
July 2022	• Director succession, particularly INEDs • INED Selection Criteria and Board of Directors' Guidelines review
October 2022	• People strategy achievements and future focus • Succession planning for ELT and senior management • Board skills matrix and director succession, particularly INEDs
December 2022	• Building leadership capabilities, talent management and succession planning • Early careers strategy, including apprenticeships and youth programmes • Director succession, particularly INEDs • Board and Committee evaluation process

Table 2
Nasdaq Board diversity disclosure[(A)]

Board Diversity Matrix (as of 31 December 2022)				
Country of principal executive offices:	United Kingdom			
Foreign private issuer	Yes			
Disclosure prohibited under home country law	No			
Total number of Directors	17			
	Female	Male	Non-Binary	Did not Disclose Gender
Part I: Gender identity				
Directors	5	12	-	N/A
Part II: Demographic background				
Underrepresented individual in home country jurisdiction			-	
LGBTQ+			-	
Did not disclose demographic background			7	

(A) Disclosure permitted with Director consent.

Thomas H. Johnson,
Chairman of the Nomination Committee
17 March 2023

Audit Committee Chairman's letter



"The Committee dedicated significant time to overseeing the successful close of PPA and implementation of SOX in Australia."

Dessi Temperley,
Chairman of the Audit Committee

Dear Shareholder

I was appointed as Audit Committee Chairman during the year and I am very pleased to present the Audit Committee report for 2022.

CCL integration

The Committee continued to spend significant time overseeing the smooth integration of API, including the successful close of Purchase Price Accounting (PPA) during the year and the implementation of Sarbanes Oxley Act (SOX) section 404 in Australia. These were key milestones given the focus of the Committee during the year.

ESG

During 2022, the Committee considered ESG reporting with even greater focus as a result of CCEP's first year of mandatory TCFD reporting and disclosures in respect of the year ending 2022. The Committee received regular updates on CCEP's reporting landscape, including assurance considerations.

In addition, there was enhanced focus by the Committee in reviewing sustainability metrics for capital expenditure proposals.

Risk management

During 2022, on behalf of the Board, risk management was a priority and high up on the Audit Committee agenda with ongoing discussions on:

- The risk management framework, including identification and assessment of principal and emerging risks, risk factors, associated mitigations and processes and their appropriateness
- The cyber security programme and associated risks
- Commodities and FX hedging
- A number of tax topics and related impact

The above was driven by the direct and indirect impact from the war in Ukraine including inflation, volatility in commodity prices and currency fluctuations, increased recession risk and the enhanced cyber threat.

Other

The Committee also spent time reviewing the new corporate integrity framework, the CoC reporting including whistleblowing, latest governance developments such as the BEIS Consultation on Restoring Trust in Audit and Corporate Governance, GDPR compliance and latest tax developments, including on sugar and plastic.

In addition, the Committee reviewed its remit during the year and clarified its role in respect of ESG reporting matters. The Committee's terms of reference were updated to reflect this.

Committee effectiveness

The Committee completed a questionnaire based exercise to assess its effectiveness in 2022. The review determined that the Committee continued to operate effectively with some minor action areas identified and subsequently closed during the year.

Read more on pages 106–107

Availability to shareholders

I am available to shareholders throughout the year to answer any questions on the work of the Committee.

Dessi Temperley,
Chairman of the Audit Committee
17 March 2023

Looking forward to 2023

- Continue to monitor governance developments such as progress and creation of the new regulator, Audit, Reporting and Governance Authority (ARGA)
- Retain a key focus on ESG reporting matters, particularly in light of the evolving ESG reporting landscape
- Further heighten attention on commodities and FX hedging given expected volatility in the economic environment
- Continue to support the Board in its enhanced oversight of CCEP's cyber security programme and associated risks



Audit Committee report

Membership

	Member since
Dessi Temperley (Chairman)	May 2020
John Bryant	January 2021
Dagmar Kollmann	May 2019
Garry Watts	April 2016

See details of meeting attendance in 2022 on page 105

Read more about the Audit Committee members on pages 89 - 93

Key responsibilities

The roles and responsibilities of the Audit Committee are set out in the terms of reference, which are available at cocacolaep.com/about-us/governance/committees, and are reviewed annually by the Committee. Key responsibilities are detailed below.

Accounting and financial reporting

- Monitoring the integrity of the Group's annual audited financial statements and other periodic financial statements
- Reviewing any key judgements contained in them relating to financial performance

Systems of internal control and risk management

- Reviewing the adequacy and effectiveness of the Group's internal control processes
- Overseeing the Group's compliance, operational and financial risk assessments as part of the broader ERM programme
- Overseeing the Group's business capability and cyber security programmes
- Overseeing climate risks as part of the ERM programme
- Reviewing and assessing the scope, operation and effectiveness of the internal audit function

Relationship with external auditor

- Reviewing and assessing the relationship
- Reviewing their independence
- Agreeing terms of engagement and remuneration
- Assessing the effectiveness of the external audit process
- Reviewing reports from the external auditor and management relating to the financial statements and internal control systems
- Making recommendations to the Board in respect of the external auditor's appointment, reappointment or removal

Other

- Supporting the Board in relation to specific matters, including oversight of dividends, capital structure, and capital expenditures

The Committee Chairman reports back at most Board meetings on matters of particular relevance and the Board receives copies of the Committee papers and minutes of meetings.

Committee governance

The Committee keeps the Board informed and advised on matters concerning the Group's financial reporting requirements to ensure that the Board has exercised oversight of the work carried out by management, internal audit and the external auditor.

The Group follows UK corporate governance practices, as allowed by the Nasdaq Rules for FPIs. In accordance with the UKCGC, the Committee is comprised of four NEDs in 2022, each of whom the Board has deemed to be independent. The Board is satisfied that the Committee as a whole has competence relevant to the fast moving consumer goods sector, in which the Group operates.

In accordance with SEC Rules, as applicable to FPIs, the Group's Audit Committee must fulfil the independence requirements set out in SEC Rule 10-3A. The Board has determined that the Audit Committee satisfies these requirements and that all members may each be regarded as an Audit Committee financial expert, as defined in Item 16A of Form 20-F. It was further determined that no Audit Committee member had participated in the preparation of the financial statements of the Company or any of its subsidiaries.

Matters considered by the Audit Committee during 2022

The Committee met nine times during the year, including a joint meeting with the ESG Committee. Reports from the internal and external auditor were presented as standing agenda items, along with reports from senior management on the following topics in the Committee's remit:

- Accounting and reporting matters
- SOX compliance
- Legal matters
- Ethics and compliance matters, including whistleblowing and CoC breaches
- Business continuity management and cyber security
- ERM
- Capital projects, including review of sustainability metrics
- Tax and Treasury matters
- Climate risk disclosures

The Committee's interactions with the internal audit function and the external auditor during the year are discussed in more detail later in this report. A summary of key matters considered by the Audit Committee in 2022, in addition to standing items, is set out in Table 1 on page 113.

Financial reporting, significant financial issues and material judgements

The Committee met regularly with management in the first half of 2022 to review the key accounting considerations in the finalisation of the PPA work in relation to the CCL acquisition.

The Committee also met with management prior to each market announcement to consider the significant accounting judgements and estimates made, and their appropriateness. Details regarding the significant reporting matters identified and the related Committee considerations are set out in Table 2 on page 114.

For the remaining matters, the Committee agreed with management that the appropriate accounting considerations had been given and the impact of each item was not material to the Group's financial statements.

See our Viability statement on page 72

Audit Committee report continued

Table 1
Matters considered by the Audit Committee during 2022

Meeting date	Key matters considered in addition to standing agenda items[A][B][C]
February 2022	• 2021 preliminary Q4 and full year results, including significant estimates and judgements • COVID-19 accounting considerations • Pay for performance • IAS 36 impairments • Tax matters
March 2022	• 2021 Integrated Report, including viability and going concern statements, accounting policies and related significant judgements and estimates, segmental reporting, hedging activities, post-employment benefits • Reappointment of the external auditor • SOX compliance and impact of COVID-19 on the internal control environment • 2022 internal audit plan • Internal Audit Charter and the Independence and Objectivity policy • Treasury matters
April 2022	• 2022 Q1 trading update • First half interim dividend
May 2022	• Accounting considerations in advance of year-end audit • Business continuity • Capital allocation and expenditure • IT/Cyber security update • Terms of reference update • Tax matters including tax strategy paper • External audit process and procedures
August 2022 (Two meetings)	• 2022 half year report • SOX implementation in Australia • External audit process and procedures • Enterprise risks • Corporate integrity programme • 2022 audit fees
October 2022 (Two meetings)	• 2022 Q3 trading update • Second half interim dividend • Capital allocation and expenditure • Corporate integrity programme • Tax matters • Group risk appetite framework • Approach to TCFD statement and ESG assurance[C]
December 2022	• SOX compliance • Corporate Integrity programme • Capital allocation and expenditure • Preliminary 2023 internal audit plan and budget • Cyber security update • Treasury matters

(A) During February and March 2023, the Committee discussed matters regarding the year ended 31 December 2022, which included:
- Reviewing the 2022 preliminary Q4 and full year results and the 2022 Integrated Report, including its significant estimates and judgements, accounting policies, viability and going concern statements
- Advising the Board on whether, in the Committee's opinion, the 2022 Integrated Report is fair, balanced and understandable
- Independent auditor's report on the 2022 full year results
- Approval of this Audit Committee report

(B) During February 2023 a joint meeting of the Audit Committee and ESG Committee was held to undertake a review of the TCFD statement and climate risk assessment.
(C) During joint meeting of the Audit Committee and ESG Committee held in October 2022.

Audit Committee assessment of the 2022 Integrated Report

The Committee undertook a review of a developed draft of the 2022 Integrated Report and provided its feedback, which was applied.

The Committee considered whether the Group's position, strategic approach and performance during the year were accurately and consistently portrayed throughout the 2022 Integrated Report. As part of its review, the Committee referred to the management reports it had received and considered during the year, together with the findings and judgements of the internal and external auditor.

The estimates and judgements made on the significant financial reporting matters regarding the financial statements are summarised in Table 2 on page 114. The Committee reviewed these in depth, along with management's assessment of the Group as a going concern and the statement of long-term viability contained in the Strategic Report. The Committee concluded that they are appropriate and acceptable in light of the risks facing the business and all significant matters brought to the Committee's attention during the year. The 2022 Integrated Report is, in the opinion of the Committee, fair, balanced and understandable and provides the information necessary for shareholders to assess CCEP's performance, business model and strategy.

Audit Committee report continued

Table 2
Significant reporting matters in relation to financial statements considered by the Audit Committee during 2022

Accounting area	Key financial impacts	Audit Committee considerations
Business combination	Total consideration: €5.8 billion Intangible assets: €4.3 billion Goodwill: €2.1 billion	The Group completed the acquisition of Coca-Cola Amatil Limited (CCL) on 10 May 2021. During 2021, the Group engaged a third party specialist firm to support the required valuation work. During the first half of 2022, the Committee regularly reviewed progress as the valuation exercise was completed and the remeasurement period had closed in May 2022. The Committee noted that changes to the provisional amounts disclosed in the Group's consolidated financial statements for the year ended 31 December 2022 were immaterial.
Deductions from revenue and sales incentives	Total cost of customer marketing programmes in 2022: €5.2 billion Accrual at 31 December 2022: €1.3 billion	The Group participates in various programmes and arrangements with customers designed to increase the sale of products. Among the programmes are arrangements under which allowances can be earned by customers for attaining agreed upon sales levels or for participating in specific marketing programmes. For customer incentives that must be earned, management must make estimates related to the contractual terms, customer performance and sales volume to determine the total amounts earned. Under IFRS 15, these types of variable consideration are deducted from revenue. There are significant estimates used at each reporting date to ensure an accurate deduction from revenue has been recorded. Actual amounts ultimately paid may be different from these estimates. At each reporting date, the Committee received information regarding the amount of customer marketing spend of the Group along with period end accruals. The Committee also discussed and challenged management on key judgements and estimates applied during the period with a specific focus on the impact of COVID-19 on customer activities and performance.
Tax accounting and reporting	2022 book tax expense: €436 million 2022 cash taxes: €415 million 2022 effective tax rate: 22.3%	The Group evaluated a number of tax matters during the year, including legislative developments across tax jurisdictions, risks related to direct and indirect tax provisions in all jurisdictions, the deferred tax inventory and potential transfer pricing exposure. Throughout the year, the Committee received information from management on the critical aspects of tax matters affecting the Group, considered the information received, and gained an understanding of the level of risk involved with each significant conclusion. The Committee also considered and provided input on the Group's disclosures regarding tax matters.
Asset impairment analysis	Indefinite lived intangible assets: €11.9 billion Goodwill: €4.6 billion	The Group performs an annual impairment test of goodwill and intangible assets with indefinite lives, or more frequently if impairment indicators are present. The testing is performed at cash generating units (CGUs) level, which for the Group are based on geography and generally represent the individual territories in which the Group operates. The Committee received information from management on the impairment tests performed, focusing on the most critical assumptions such as the terminal growth rate, the discount rate and operating margin, as well as changes from the prior year. The Committee reviewed and challenged sensitivity analyses, including the impact of climate change provided by management to understand the impact of changes in these critical assumptions. The Committee was satisfied with the assumptions used by the Group and also considered and reviewed the Group's disclosures about its impairment testing.
Restructuring accounting	Restructuring cost recorded in 2022: €163 million	During 2022, the Group commenced restructuring initiatives as part of the ongoing Accelerate Competitiveness programme aimed at improving productivity, network optimisation, and site rationalisation. The Committee was regularly updated by management on the nature of such initiatives and key assumptions underpinning the related provision in the financial statements. The Committee reviewed the Group's restructuring expense of €163 million as well as the restructuring provision balance of €137 million as at 31 December 2022, and continued to agree that it does not contain significant uncertainty. The Committee was satisfied with the appropriateness of the restructuring accounting during the year and the disclosures included in the financial statements.
Other items impacting operating profit comparability	Remaining items impacting operating profit comparability recorded in 2022: €111 million (credit)	The Committee reviewed the remaining items impacting operating profit comparability for the year, primarily related to other income arising from the favourable court ruling pertaining to the ownership of certain mineral rights in Australia and the collection of the insurance proceeds associated with the July 2021 European flooding events. The Committee was satisfied with the classification of the items impacting comparability as well as the related disclosures in the financial statements.

Audit Committee report continued

External audit

Effectiveness of the external audit process

The Committee has responsibility and oversight of the Group's relationship with its external auditor, Ernst & Young LLP (EY), and for assessing the effectiveness of the external audit process. EY was appointed as the external auditor in 2016 and the lead audit partner is Sarah Kokot, who was appointed following completion of the 2020 Audit. The Committee acknowledges the provisions contained in the UKCGC and the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 in respect of audit tendering. In light of the factors, the Committee considers when making recommendations to the Board and based on their performance and knowledge of the business, the Committee believes that it is in the best interests of shareholders to continue to recommend EY as the external auditor and that a competitive tender process will be conducted no later than 2025.

In 2022, the Committee agreed the approach and scope of the audit work to be undertaken by EY for the financial year. It also reviewed EY's terms of engagement and agreed the appropriate level of fees payable in respect of audit and non-audit services.

See details of the amounts paid to the external auditor in Note 18 to the consolidated financial statements on page 193.

EY provided the Committee with regular reports on the status of the audit, its assessment of the agreed areas of audit focus and findings, and conclusions to date. In response to the Acquisition and COVID-19, EY had regular discussions with management to identify the potential business and financial risks for CCEP and ensure that correct accounting treatment was adopted in response.

The Committee reviewed the experience and expertise of the audit team, the fulfilment of the agreed audit plan and any variations to it, feedback from the Group's businesses and the contents of the external audit report. The Committee confirmed its satisfaction with the effectiveness of the external auditor.

External auditor independence

The continued independence of the external auditor is important for an effective audit. The Committee has developed and implemented policies that govern the use of the external audit firm for non-audit services and limit the nature of the non-audit work that may be undertaken. The external auditor may, only with pre-approval from the Committee, undertake specific work for which its expertise and knowledge of CCEP are important. It is precluded from undertaking any work that may compromise its independence or is otherwise prohibited by any law or regulation.

The Committee received a statement of independence from EY in March 2023 confirming that, in its professional judgement, it is independent and has complied with the relevant ethical requirements regarding independence in the provision of its services. The report described EY's arrangements to identify, manage and safeguard against conflicts of interest.

The Committee reviewed the scope of the non-audit services proposed by EY during the year, to ensure there was no impairment of judgement or objectivity, and subsequently monitored the non-audit work performed to ensure it remained within the agreed policy guidelines. It also considered the extent of non-audit services provided to the Group. The Committee determined, based on its evaluation, that the external auditor was independent.

Reappointment of the external auditor

The Committee has responsibility for making a recommendation to the Board regarding the reappointment of the external auditor. Based on its continued satisfaction with the audit work performed to date and EY's continued independence, the Committee has recommended to the Board, and the Board has approved, that EY be proposed for reappointment by shareholders as the Group's external auditor at CCEP's 2023 AGM.

Internal audit

The internal audit function provides an independent and objective assessment of the adequacy and effectiveness of the Group's integrated internal control framework, which combines risk management, governance and compliance systems. The internal audit function reports directly to the Audit Committee and comprises approximately 30 full time, professional audit staff based in London, Berlin, Madrid, Sofia and Sydney, with a range of business expertise working across multiple disciplines.

Effectiveness of the internal audit function

At the start of the year, the Committee reviewed the internal audit plan for 2022 and agreed its scope, budget and resource requirements for the year.

Through regular management reports containing key internal audit observations, proposed improvement measures and related timeframes agreed with management, the Committee monitored the effectiveness of the internal audit function against the approved internal audit plan. The Chief Audit Executive attended the scheduled meetings of the Committee during 2022 to raise any key matters with the Directors.

Audit Committee report continued

Internal control and risk management

The Group depends on robust internal controls and an effective risk management framework to successfully deliver its strategy. The Audit Committee is responsible for monitoring the adequacy and effectiveness of the Group's internal control systems, which includes its compliance with relevant sections of the UKCGC and the requirements of SOX, specifically sections 302 and 404, as it applies to US FPIs.

Effectiveness of the internal control and risk management systems

Regular reports were presented to the Committee on the Group's internal audit assessments of the adequacy and effectiveness of CCEP's integrated internal control framework, risk management, governance and compliance functions. The Committee was asked to consider the internal control framework and the remediation of any identified control deficiencies during the year.

In 2022, management undertook a top down enterprise risk assessment including business units and functions. This included an assessment of the Group's risk appetite across identified enterprise risks, to gauge and promote alignment of risk appetite with CCEP's long range plan. The Committee reviewed the findings, approved changes to the enterprise risk management assessments and concluded that management's approach to risk and to risk appetite was satisfactory.

The Group's material controls were deemed to be designed and operating effectively during the year.

Read more about the Board's role in risk oversight of Principal risks on pages 64-71 **and TCFD** on pages 28-37

Raising concerns

In each of our territories, we have established ways for our people to raise concerns in relation to possible wrongdoing in financial reporting, suspected misconduct, or other potential breaches of our CoC. These include options to seek advice from the line manager and/or raise a report through our internal Speak Up resources and/or our dedicated and confidential external Speak Up channels. The Committee is responsible for reviewing the adequacy and security of these arrangements and ensuring they allow appropriate follow up action. In accordance with our CoC, retaliation against anyone for making a genuine report, or for cooperating in an investigation, is prohibited.

The Committee receives and considers reports from management regarding concerns raised by our people and provides the Board with key information for its consideration as appropriate.

View our CoC at www.ccepcoke.online/code-of-conduct-policy

Investigations into potential breaches of our CoC are overseen in each BU by the BUs CoC Committee, chaired by the BUs Vice President, Legal. All potential CoC breaches and corrective actions are overseen by the Group CoC committee, which is a sub committee of the Compliance and Risk Committee, a management committee chaired by the Chief Compliance Officer (CCO). The Group CoC Committee also:

- Ensures that all reported breaches have been recorded, investigated in a timely manner and a conclusion reached
- Evaluates trends
- Ensures consistent application of the CoC across CCEP

As required under the Spanish Criminal Code, the Iberia BU has an Ethics Committee formed of members of the Iberia BU leadership team. It is responsible for any ethics and compliance activities, including overseeing the local crime prevention model. It reports to the board of the Iberia BU and the CCO.

There were no whistleblowing matters that required Audit Committee or Board attention in 2022.

Dessi Temperley,
Chairman of the Audit Committee
17 March 2023

ESG Committee Chairman's letter



"The Committee dedicated significant time to discussing the development of the updated This is Forward sustainability action plan to include API markets."

Mario Rotllant Solà,
Chairman of the ESG Committee

Dear Shareholder

I was appointed as ESG Committee Chairman during 2022 and I am delighted to present the ESG Committee report for 2022, especially as this is the first CCEP Integrated Report to include an ESG Committee report.

This is Forward 2022

The Committee's main focus during 2022 was the development of CCEP's sustainability action plan, This is Forward, to incorporate API markets and to meet evolving stakeholder expectations.

The objective was to set ambitious and easy-to-understand targets which were quantifiable and time bound, in alignment with TCCC. In addition to the inclusion of API markets, updates were also made to ID&E targets to broaden their focus beyond gender. We also updated our water targets to align with TCCC's new global water strategy. In addition, a new society target was introduced to support TCCC's focus on empowerment and skills. Further areas of This is Forward expansion have also been identified for the longer term.

Sustainability priorities

To support This is Forward, during the year, the Committee endorsed key priorities which will help to accelerate our actions, ensure delivery against our ambitious sustainability commitments and deliver the significant business transformation which will be required.

Updating our Science Based Targets initiative (SBTi)

During 2022, the Committee spent time considering CCEP's science based emissions reduction targets for 2030 and 2040 to include API. The Committee also reviewed CCEP's updated carbon inventory, including GHG emissions related to our business in API.

The Committee agreed on two new targets which following Board approval, were subsequently submitted to the SBTi for their approval. The SBTi's decision is awaited and expected by the end of 2023.

Read more on our updated SBTi targets on page 29

Regulation

The Committee also focused on reviewing the latest developments in sustainability reporting such as the European Commission's proposal for regulation on human rights and environmental due diligence obligations, as well as packaging and packaging waste.

Other

The Committee also discussed and assessed how our future pack mix should evolve over the next decade and reviewed progress made on targets relating to renewable electricity, solar photovoltaic (PV) and our use of recycled PET (rPET).

Terms of reference review

In 2022, changes were made to the Committee's terms of reference to better reflect current guidance and best practice and to clarify the remit of the activities by renaming the Committee the ESG Committee and approving a Remit Document.

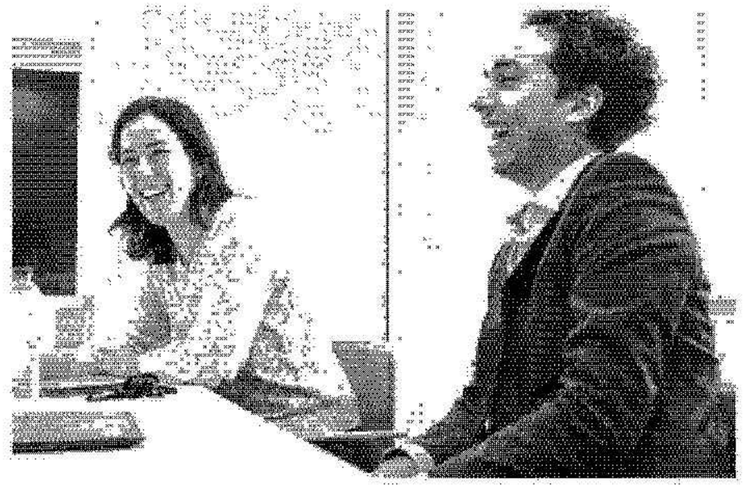
Committee effectiveness

The Committee completed a questionnaire based exercise to assess its effectiveness during the year. The review determined that the Committee continued to operate effectively. Progress has been made to action outputs from the review.

Mario Rotllant Solà,
Chairman of the ESG Committee
17 March 2023

Looking forward to 2023

- Focus on our new society goals to drive diversity and support 500,000 people facing barriers in the labour market by 2030
- Conduct a biodiversity and deforestation risk assessment
- Continue to develop our carbon reduction roadmaps



ESG Committee report

Membership

	Member since
Mario Rotllant Solá (Chairman)	May 2022
Jan Bennink	May 2019
Nathalie Gaveau	January 2019
Mark Price	May 2019
Brian Smith	July 2020

ESG Committee role

The key duties and responsibilities of the Committee are set out in its terms of reference. These are available at cocacolaep.com/about-us/governance/committees.

ESG activities in 2022

The Committee met five times in 2022 including a joint meeting with the Audit Committee. The main focus of the Committee was overseeing the work to update CCEP's sustainability action plan, This is Forward, but it did consider other matters which are detailed below.

Reporting and regulatory updates

- Review of FY21 reporting and performance
- Assurance of FY21 sustainability performance data and look ahead for FY22 assurance
- During the joint meeting with the Audit Committee in October 2022, our approach to TCFD compliance and ESG assurance was discussed. There was a further joint meeting held in February 2023 to undertake a review of the TCFD statement and climate risk assessment.

Read more on TCFD reporting
on pages 28 - 37

- Updates included on:
  - EU proposed Directive on Corporate Sustainability Due Diligence
  - International Sustainability Standards Board (ISSB)
  - UK mandatory reporting requirements such as TCFD
  - EU packaging regulation

Climate

- Reviewing GHG emissions and reduction pathways for API
- Discussion on science based emissions reduction targets to incorporate API including discussions on submission to SBTi
- Update on renewable electricity and solar PV

Packaging

- Update on reusable packaging, future pack mix, plastic packaging and recycled PET
- Sourcing strategy for packaging materials (e.g. rPET, aluminium)
- Reusable packaging, packageless and TCCC's global reusable packaging target

Social

- Approval of Modern Slavery Statement
- CoC reporting compliance
- Review and extension of societal goals as part of This is Forward

Governance

- Overview of the Committee's sustainability priorities including:
  - Decarbonisation and carbon reduction roadmap
  - Carbon offset and removal strategy
  - Accelerated focus on 100% collection
- Committee Terms of reference and remit review, including the addition of compliance matters to the scope of the Committee
- Review of Committee effectiveness



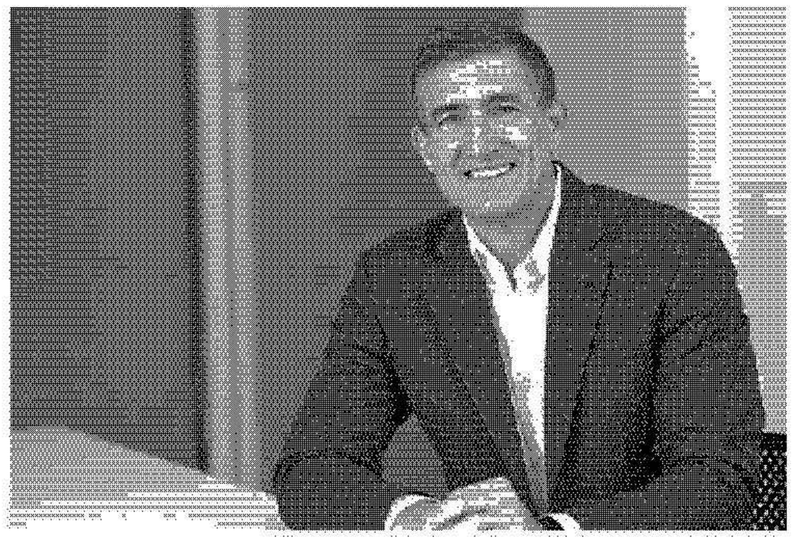
Other

- Update on the role of CCEP Ventures in supporting This is Forward sustainability action plan and CCEP's long-term Net Zero 2040 target
- TCCC's approach to consumer-focused sustainability marketing and communications

Mario Rotllant Solà,
Chairman of the ESG Committee
17 March 2023

Above: CCEP New Zealand adopted Meridian Energy's 100% Certified Renewable Energy product in 2022 which verifies that the electricity it consumes from the national grid will be matched on an annual basis with electricity produced from Meridian Energy's certified hydro stations and wind farms.

Statement from the Remuneration Committee Chairman



"Our remuneration policy continues to deliver on our key objectives and no fundamental changes to the remuneration policy are proposed."

John Bryant,
Chairman of the Remuneration Committee

Dear Shareholder

On behalf of the Board, I am pleased to present the Directors' remuneration report for CCEP for the year ended 31 December 2022. This includes our broadly unchanged remuneration policy (pages 122-129), which shareholders are asked to approve at our 2023 AGM. We have also set out our Annual report on remuneration (ARR) (pages 130-140), which outlines how we implemented the policy during 2022 and how we intend to do so in 2023. This will be subject to an advisory vote at our 2023 AGM.

I am also pleased to introduce myself as the new chairman of CCEP's Remuneration Committee, having taken over from Christine Cross with effect from December 2022. As part of our handover, we have worked closely together and with the rest of the Remuneration Committee in reviewing our current remuneration policy. I would like to thank Christine for her valuable contribution in chairing the Remuneration Committee and remaining as a member of the Committee until she steps down from the Board at the 2023 AGM.

Revised remuneration policy

During the year we undertook a full review of our remuneration policy, including considering how any revised policy would be implemented for 2023, to ensure that it remains aligned with our key objectives of being:

- Focused on delivering our business strategy
- Simple, transparent and aligning the interests of management and shareholders
- Based on variable remuneration which is performance-related against stretching targets
- Able to be cascaded through the organisation and applicable to the wider workforce
- Able to support the recruitment, development and retention of top talent

As part of this process, we engaged with our largest 15 shareholders and representative bodies who did not raise any major concerns with our current policy.

After due consideration, the Committee determined that the current remuneration policy continues to deliver on our key objectives and remains aligned with our shareholders' interests and best practice.

On this basis we are not intending to make any significant changes to the remuneration policy or how the policy will be implemented for 2023. However, minor wording changes have been made to ensure the remuneration policy accurately reflects current practice.

Alongside seeking approval for the remuneration policy, we will also be seeking approval for the revised Long-Term Incentive Pan (LTIP) Rules at the AGM in May 2023. No material changes to the operation of the LTIP are proposed, however, the current rules are due to expire shortly and we are taking this opportunity to ensure the rules reflect latest market and best practice, and will support operation of the Plan for the 10 year life of the Rules.

We are confident that the revised policy will continue to provide a remuneration framework for the next three years that supports the business to meet its objectives in a manner which is aligned with good governance.

Statement from the Remuneration Committee Chairman continued

Remuneration outcomes for 2022

Annual bonus

The strong overall business performance outlined in the Strategic Report has been reflected through the annual bonus with performance against all three financial metrics being above target. Revenue and comparable operating profit increased year on year by 26.0% and 20.5% respectively. This, alongside strong free cash flow generation, has resulted in an overall Business Performance Factor (BPF) of 172% of target being achieved. The strong business performance is also a reflection of the exceptional leadership of the CEO throughout 2022, which resulted in a maximum Individual Performance Factor (IPF) of 1.2x being awarded to him. The final bonus payment to the CEO was 86% of maximum. Further details are provided on pages 130-131 of the ARR.

2020 Long-Term Incentive Plan

The 2020 LTIP award, granted in March 2020, was subject to earnings per share (EPS), return on invested capital (ROIC) and CO_2e reduction performance targets over the three year period to 31 December 2022. Around 260 senior executives and management participated in the scheme, including the CEO.

Following the Acquisition in 2021, revised targets for the combined business were set in September 2021 and were fully disclosed in last year's remuneration report.

Performance over the last three years has been strong, resulting in an overall formulaic vesting level of 2.0x target.

In assessing the formulaic vesting outcome, the Committee also undertook a holistic assessment of overall performance over the three year period to determine whether the formulaic outcome was an appropriate vesting level for all participants and reflected underlying Company performance. The Committee took into account a wide range of performance reference points including financial performance, returns to shareholders, the wider stakeholder experience, and our sustainability achievements (as disclosed in detail on page 132 of the ARR).

As a result of the assessment, the Committee determined the overall performance of the business to be strong, but considered it appropriate to apply downwards discretion in respect of the final vesting level for the CO_2e reduction measure and cap this at target. This reduced the overall vesting level to 1.85x target, and the Committee believes this to be a fair reflection of overall performance.

This is estimated to have a final vesting value for the CEO of £6.7 million. Over a third (£2.1 million) of the value of this award is a result of strong share price growth over the period, which has delivered more than £8 billion of value to shareholders.

Implementation of remuneration policy in 2023

The Committee considers that our overall remuneration framework remains fit for purpose and, subject to shareholder approval at the 2023 AGM, will implement our broadly unchanged remuneration policy for 2023 on the same basis as for 2022 (see pages 122-129 for further details).

The Committee has approved a 2.0% salary increase for the CEO, effective 1 April 2023, which is significantly lower than the 6% merit increase for the wider GB workforce.

The structure of the 2023 annual bonus will be unchanged from last year, with the business performance element being based on stretching performance targets for operating profit, revenue and operating free cash flow. For the CEO, his individual element will be assessed against objectives aligned to the key strategic areas of focus of the business, which include: market share, competitiveness, and inclusion, diversity & equity. See page 138 of the ARR for further detail.

The 2023 LTIP award will continue to be based on a mix of EPS, ROIC, and CO_2e reduction. The financial targets have been set at stretching levels taking into account both our long-term plan and external forecasts.

Following the end of the performance period, LTIP awards will be subject to an additional two year holding period.

Looking ahead

We intend for our new remuneration policy to remain in place for the next three years. However, we will continue to engage with shareholders to ensure we are implementing the policy in a way which is aligned with both good governance and commercial best practice.

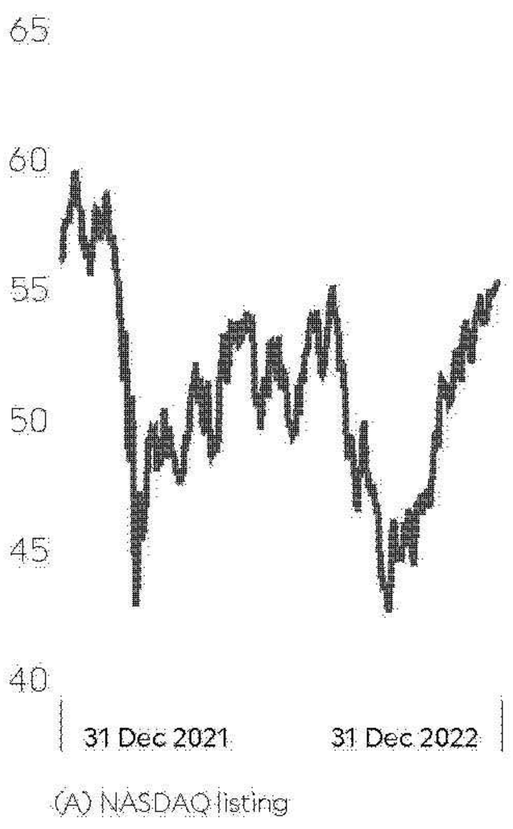
Our remuneration policy and outcomes reflect a strong emphasis on performance-related pay, aligned to shareholder interests and our strategic aims. I hope we continue to receive your support in respect of our revised policy and ARR at our forthcoming AGM in May 2023.

John Bryant,
Chairman of the Remuneration Committee
17 March 2023

Remuneration at a glance

Overview of 2022 remuneration performance

CCEP share price[A] (US$)



(A) NASDAQ listing

Annual bonus outcomes

Operating profit

1.45x target

Operating free cash flow

1.97x target

Revenue

2.00x target

Bonus pay out = 86% of maximum (Including IPF of 1.2x)

Reported long-term KPIs

Comparable EPS[B]

2020	1.80
2021	2.83
2022	3.39

ROIC[B]

2020	7.6%
2021	9.2%
2022	9.1%

CO_2e reduction per litre

2022	15.3%

(Europe reduction 2019-2022)

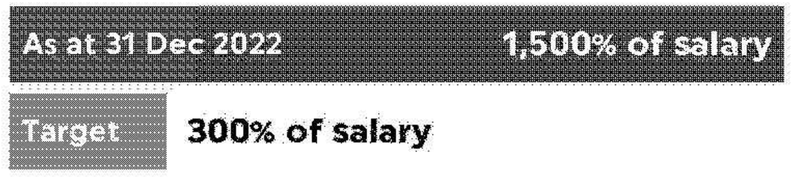
2022 CEO single figure



Fixed pay
Annual bonus
LTIP

2022 Total value
£11.8m

CEO shareholding



Current shareholding
Shareholding requirement

Overview of 2023 CEO remuneration framework

Fixed pay + Annual bonus + LTIP

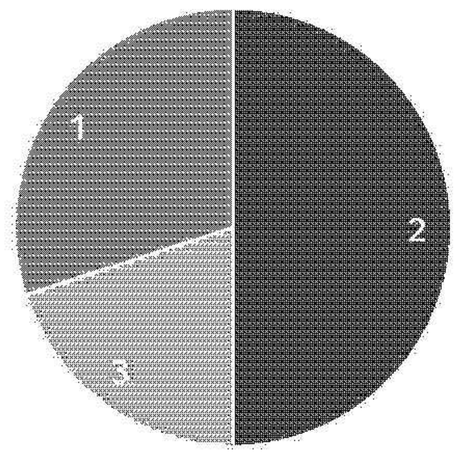
Base salary

2.0% increase for 2023

£1.24m

Benefits

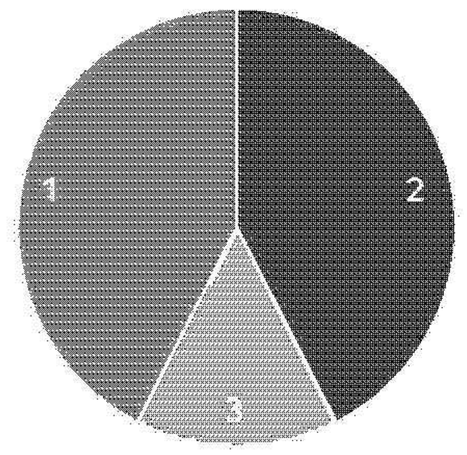
- Car allowance
- Private medical
- School fees
- Financial planning



1	Revenue	30%
2	Operating profit	50%
3	Operating free cash flow	20%

0x–1.2x

Individual multiplier

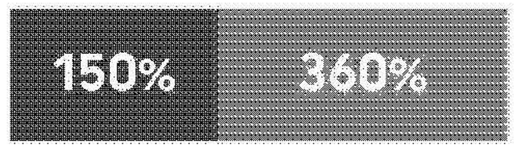


1	ROIC	42.5%
2	EPS	42.5%
3	Reduction in CO_2e	15%

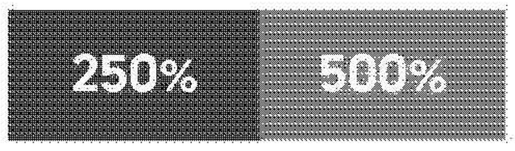
Pension

Cash in lieu aligned to wider workforce

£26k



Target
Maximum



Target
Maximum

All references to revenue, operating profit, operating free cash flow, EPS and ROIC targets for 2023 refer to those measures that are defined within the ARR

(B) Comparable EPS and ROIC are non-GAAP performance measures. Refer to 'Note regarding the presentation of pro forma financial information and alternative performance measures' on pages 74-75 for the definition of our non-GAAP performance measures and to pages 75-85 for a reconciliation of reported to comparable results.

Read more in the Annual report on remuneration from page 130

Remuneration policy

Our current remuneration policy was approved by shareholders at the AGM on 27 May 2020. As required under Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), shareholders will be asked to approve a new remuneration policy at our AGM in May 2023.

It is intended that the new remuneration policy will apply for the next three years with effect from the date of the AGM.

During 2022, the Remuneration Committee reviewed the remuneration policy to ensure that it continues to be:

- Focused on delivering our business strategy
- Simple, transparent and aligning the interests of management and shareholders
- Based on variable remuneration which is performance-related against stretching targets
- Able to be cascaded through the organisation and applicable to the wider workforce
- Able to support the recruitment, development and retention of top talent

The Remuneration Committee consulted with our largest shareholders and their representative bodies on the remuneration policy and took any feedback into account when finalising the new remuneration policy.

Based on this review, the Remuneration Committee determined that the current remuneration framework continues to meet the objectives set out above and so no significant changes to the remuneration policy have been made. However, minor wording changes have been made to ensure the remuneration policy accurately reflects current practice.

As part of its review, the Remuneration Committee addressed the following principles, as recommended in the revised 2018 UKCGC.

Clarity

Our remuneration policy is designed to allow our remuneration arrangements to be structured such that they clearly support, in a sustainable way, our financial objectives and strategic priorities.

The Remuneration Committee remains committed to reporting on our remuneration practices in a transparent, balanced and understandable way.

Simplicity

The Remuneration Committee recognises the importance of simplicity. This is embedded in the new remuneration policy through its three main elements:

- Fixed: comprising base salary, benefits (e.g. private medical insurance) and a pension which is aligned to that offered to the local workforce
- Short-term: an annual performance-related bonus that incentivises and rewards the delivery of a balanced selection of financial and non-financial targets over the financial year
- LTIP: incentivises performance over a three year period, promoting long-term sustainable value creation. It is delivered in Shares, which are subject to a two year post-vesting holding period.

Risk

The Remuneration Committee ensures that our remuneration arrangements remain aligned with the business' risk appetite, policies and systems, as well as its strategy.

Awards under the variable incentive plans are subject to a wide range of malus and clawback provisions, while the two year post-vesting holding period for LTIP awards strengthens the alignment of Executive Director pay with shareholders' interests. The CEO is required to build up a shareholding of 300% of salary in Shares which must be retained for one year post-employment. This provides further alignment with long-term shareholder interests.

The Remuneration Committee has discretion to adjust the formulaic outcome of incentive arrangements, taking into account all relevant factors, to further mitigate the risk of incentives vesting in inappropriate circumstances.

Predictability

The scenario charts on page 125 show the possible reward outcomes in a variety of performance scenarios. These charts include a scenario whereby the Company's share price increases by 50% over the three year LTIP performance period.

Proportionality

Over 75% of an Executive Director's package is performance based, with measures and targets designed to be appropriately stretching, providing a clear link to the delivery of short-term and long-term shareholder value. The measures are intended to be balanced to ensure that the relevant aspects of an Executive Director's performance is covered.

The use of discretion ensures that performance outcomes can be considered in the context of underlying performance.

Remuneration policy continued

Alignment to culture

CCEP has an entrepreneurial culture that drives it to move quickly, has a passion for growth and a commitment to our customers. Acting with integrity and accountability underpins this.

The remuneration policy is designed to be aligned with this culture, with balanced and stretching short-term and long-term performance measures and targets, complemented by malus and clawback and discretionary overrides. In combination, these will enable the Remuneration Committee to ensure that executive remuneration is appropriate from a cultural perspective.

The Remuneration Committee considers a number of wider workforce themes as part of its annual cycle, including workforce demographics, engagement levels and diversity. We encourage our employees to participate in all employee share schemes. In 2022, we introduced the new ESPP across the whole of CCEP, strengthening our commitment to create an ownership mindset among the workforce.

The following sections set out our new remuneration policy.

Policy table for Executive Directors

The table below summarises each element of the remuneration policy for Executive Directors and any other individual who is required to be treated as an Executive Director under the applicable regulations, with further details set out after the table. Currently, the CEO is the only Executive Director.

Base salary	**No material change to previous policy**
Purpose and link to strategy	• Core element of remuneration used to provide competitive level of fixed salary for Executive Directors of the calibre required for the long-term success of the business.
Operation	• Paid in cash and pensionable. • Typically reviewed annually. • In reviewing salaries, consideration is given to a number of internal and external factors including business and individual performance, role, responsibilities, scope, market positioning, rate relative to other internal pay bands to ensure succession pay headroom, inflation and colleague pay increases.
Opportunity	• While there is no prescribed formulaic maximum, annual increases will normally take into account the overall business performance and the level of increase awarded to the general relevant workforce. • Where the Remuneration Committee considers it necessary and appropriate, larger increases may be awarded in individual circumstances, such as a change in scope or responsibility or where a new Executive Director is appointed at a lower than market rate and the salary is realigned over time as the individual gains experience in the role. Salary adjustments may also reflect wider market conditions, for example in the geography in which the individual operates.
Performance conditions	• None, although individual performance will be taken into account when determining the appropriateness of base salary increases, if any.

Benefits	**No material change to previous policy**
Purpose and link to strategy	• Competitive and market aligned benefits for Executive Directors of the calibre required.
Operation	• A range of benefits may be provided, including, but not limited to, the provision of a company car or car allowance, the use of a driver, financial planning and tax advice, private medical insurance, medical check ups, personal life and accident assurance and long-term disability insurance. Other benefits may be provided if considered appropriate to remain in line with market practice. • Expenses incurred in the performance of executive duties (including occasional expenses associated with spouse accompanying the Executive Director on business travel or functions as required) for CCEP may be reimbursed or paid for directly by CCEP, as appropriate, including any tax due on the benefits. • CCEP may also meet certain mobility costs, such as relocation support, housing and education allowances and tax equalisation payments. • Executive Directors are eligible to participate in all employee share plans on the same basis and with the same vesting period as other employees.
Opportunity	• The value of benefits provided will be reasonable in the context of relevant market practice for comparable roles and taking into account any individual circumstances (e.g. relocation). It is not possible to state a maximum for all benefits as some will depend on individual circumstances (e.g. private medical insurance) and some may depend on family circumstances (e.g. relocation/housing/schooling allowances). • The Remuneration Committee keeps the level of benefit provision under review. • Participation in all employee share plans on the same basis as other employees up to the statutory limits.
Performance conditions	• None.

Pension	**No material change to previous policy**
Purpose and link to strategy	• Provides an income for Executive Directors following their retirement in arrangements consistent with those offered to other employees in the relevant location.
Operation	• Executive Directors can participate in the same plan as other local employees and on the same basis. CCEP reserves the right to amend a pension arrangement for Executive Directors over the life of this remuneration policy to reflect changes to the broader employee arrangements.
Opportunity	• The current CEO can participate in the UK Defined Contribution pension plan or can opt out and receive a partial cash alternative on the same basis as other employees in GB. • The current maximum annual employer contribution, inclusive of employer social security costs, is £30,000.
Performance conditions	• None.

Remuneration policy continued

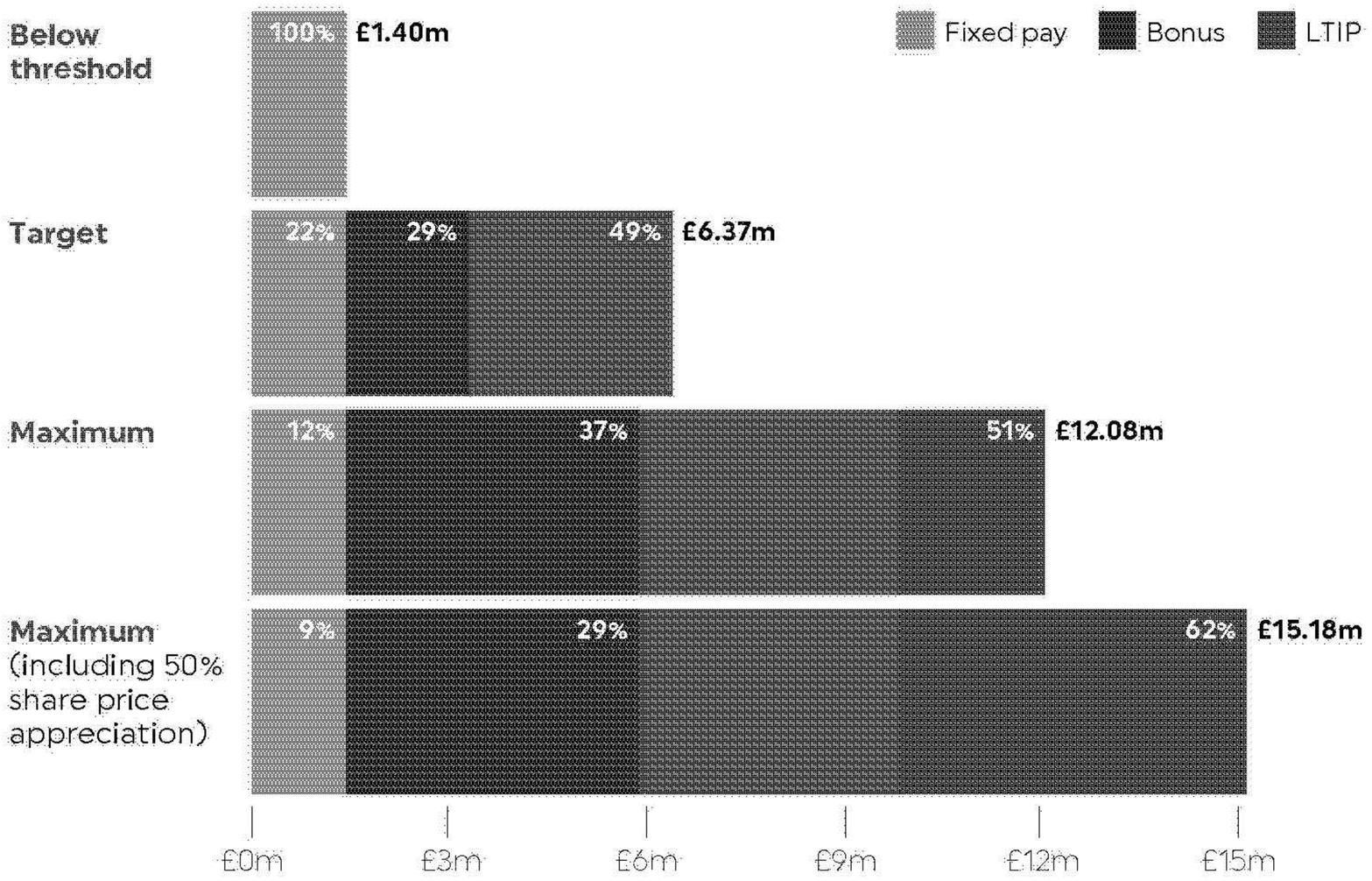
Annual bonus	No material change to previous policy
Purpose and link to strategy	• To incentivise the delivery of the business plan on an annual basis, and reward performance against key indicators which are critical to the delivery of the strategy.
Operation	• Performance is measured over one year, with the bonus normally payable fully in cash after year end, with no deferral. • The bonus is based on a combination of a Business Performance Factor (BPF) and an Individual Performance Factor (IPF). • The Remuneration Committee may exercise its discretion to adjust the formulaic outcome of the bonus up or down (subject to the maximum bonus opportunity set out below) taking into account all relevant factors, including but not limited to: underlying business performance, individual performance and wider business circumstances. • The Remuneration Committee has the ability to apply both malus and clawback provisions to bonuses.
Opportunity	• Target bonus is 150% of base salary. • The bonus is calculated by multiplying the target bonus by a BPF (with a range of 0–200%) and an IPF (with a range of 0–120%). • The maximum bonus opportunity is 360% of salary. • 25% of the target BPF (37.5% of salary) is payable for threshold business performance. The threshold for the IPF is 0% of maximum.
Performance conditions	• Business and individual performance measures, weightings and targets are set annually to align with the strategic plan, with the majority of the annual bonus being based on financial performance measures. • The Remuneration Committee ensures that targets are appropriately stretching in the context of the strategic plan and that there is an appropriate balance between incentivising Executive Directors (i) to meet financial targets for the year and (ii) to deliver specific non-financial goals. This balance allows the Remuneration Committee to reward performance effectively against the key elements of the strategy. • Each year, the annual performance targets set in the prior year are published in the ARR (unless considered commercially sensitive). • The Remuneration Committee will retain the discretion to amend subsisting performance measures and/or targets in exceptional circumstances (e.g. significant transactions), where it considers that they no longer remain appropriate.

LTIP	No material change to previous policy
Purpose and link to strategy	• Recognises and rewards delivery of Group performance over the longer term and delivered in Shares to provide alignment with shareholder interests.
Operation	• Awards of conditional Shares (or equivalent) with vesting dependent on performance measured over at least three financial years. • Shares acquired on vesting of an award (post-tax) are subject to an additional two year holding period following the vesting date. • Dividends (or equivalents) may accrue during the vesting period on Shares that vest and be paid in cash or Shares at vesting. The Group's current practice is to pay in cash. • The Remuneration Committee has the ability to apply both malus and clawback provisions to awards. • The Remuneration Committee may exercise its discretion to adjust the formulaic vesting outcome up or down (subject to the maximum LTIP opportunity set out below) taking into account all relevant factors, including but not limited to: underlying business performance, individual performance and wider business circumstances.
Opportunity	• The maximum annual award is 500% of salary. • For threshold levels of performance, 12.5% of the maximum award vests.
Performance conditions	• The Remuneration Committee will align the performance measures under the LTIP with the long-term strategy of the Group with measures focused on delivering sustainable value creation. • Prior to each grant, the Remuneration Committee will select performance measures and weightings and determine targets. Performance measures may be financial, non-financial, share price based, strategic, or determined on any other basis that the Remuneration Committee considers appropriate reflecting strategic priorities. • Currently, the performance measures used are EPS, ROIC, and CO_2e reduction. Targets are intended to be set at appropriately stretching levels of performance in the context of the strategic plan. • The Remuneration Committee will retain the discretion to amend subsisting performance measures and/or targets in exceptional circumstances (e.g. significant transactions), where it considers that they no longer remain appropriate, although it would only do so following consultation with major shareholders.

Remuneration policy continued

Illustration of the application of the remuneration policy

The Remuneration Committee considers the level of remuneration that may be received under different performance outcomes to ensure that this is appropriate in the context of the performance delivered and the value added for shareholders.



The chart above provides illustrative values of the remuneration package for the CEO in 2023 under four assumed performance scenarios.

	Assumed performance	Assumptions
Fixed pay	All scenarios	• Base salary of £1,241,440 effective from 1 April 2023 • Pension allowance of £26,000 • Benefits – assumed £135,000, which is the value received in 2022
Variable pay	Below threshold	• No pay out under the annual bonus plan • No vesting under the LTIP • No share price growth assumed
	Target performance	• Target annual bonus, representing 150% of base salary • Target LTIP[A] award, representing 250% of base salary • No share price growth assumed
	Maximum performance	• Maximum annual bonus, representing 360% of base salary • Maximum LTIP[A] award, representing 500% of base salary • No share price growth assumed
	Maximum performance including 50% share price growth	• As above for maximum performance but includes share price appreciation in respect of the LTIP[A] of 50% during the performance period

(A) LTIP awards may accrue dividend equivalents but the potential value of these has not been included in the analysis above.

Remuneration policy continued

Share ownership guidelines

The CEO is required to hold 300% of their base salary in Company Shares. The guideline is expected to be met within five years of appointment. Until the guideline is met, 50% of any vested Shares from incentive awards (post-tax) must be retained. The guideline continues to apply for one year following termination of employment.

Malus and clawback

The Remuneration Committee has the ability to operate malus and clawback under the annual bonus and LTIP.

This provides the Remuneration Committee with the ability to restrict or reclaim payments to Executive Directors in circumstances where it would be appropriate to do so.

The circumstances in which the malus and clawback provisions may be invoked are:

Actions/conduct of individual	• Dismissal for cause. • Misbehaviour. • Conduct resulting in significant loss. • Failure to meet appropriate standards of fitness and propriety. • Behaviour which significantly contributes to reputational damage for CCEP.
Risk	• Material failure of risk management.
Financial accounts	• Material misstatement in the audited consolidated accounts. • Error in the determination of the vesting of an award (subject to clawback only).
Regulatory requirement	• Any recovery requirement in line with applicable regulations.

In such circumstances, where the Remuneration Committee considers it appropriate, it may apply the provisions set out below:

Annual bonus	• Malus may be applied during the performance period to reduce (including to nil) the annual bonus pay out. • Clawback may be applied for up to two years post-payment of the bonus, to recover some (or all) of any amount paid out.
LTIP	• Malus may be applied before the vesting of an award to reduce (including to nil) the level of vesting of the award. • Clawback may be applied for up to two years post-vesting of the award, to recover an amount in cash or Shares relating to the value of any award already delivered. Alternatively, an existing award may be reduced by the same amount.

External appointments

Executive Directors are permitted to hold one external appointment with the prior consent of the Board. Any fees may be retained by the individual. At the time that this policy will come into operation the current CEO is not expected to have such external appointments.

Consideration of wider employee pay and conditions

The Remuneration Committee receives an annual report in respect of wider workforce remuneration, covering topics such as workforce demographics, engagement, pay and reward policies, culture and behaviours initiatives, and diversity initiatives. This information was considered when the remuneration policy was reviewed. It is also considered when the Remuneration Committee decides how it should implement the policy each year.

The Remuneration Committee considers, in particular, the budgeted salary increases for the broader relevant employee population when determining how to implement the remuneration policy for Executive Directors in any year. It is expected that future salary increases for Executive Directors will be no more than the general all-employee increase in the country where they are based, except in exceptional circumstances, such as where a recently appointed Executive Director's salary is increased to reflect his or her growth in the role over time or where significant additional responsibilities are added to the role.

The annual bonus metrics and related targets for Executive Directors are aligned with those of senior management and are cascaded through the organisation, adjusted in some cases for local market context. The performance metrics for LTIP awards are normally the same for all participants. Executive Directors may participate in all employee share plans on the same basis as other employees.

The Remuneration Committee does not consult directly with employees as part of the process of setting the policy.

Scope of remuneration policy

The Remuneration Committee reserves the right to make any remuneration payments and/or payments for loss of office (including exercising any discretion available to it in connection with such payments) notwithstanding that they are not in line with the remuneration policy set out above when the terms of the payments were agreed:

(1) before the AGM on 22 June 2017 (the date our first shareholder approved Directors' remuneration policy came into effect);

(2) before the remuneration policy set out above comes into effect, provided that the terms of the payment were consistent with the shareholder approved remuneration policy in force at the time they were agreed; or

(3) at a time when the relevant individual was not a Director of CCEP (or other person to whom this remuneration policy applies) and, in the opinion of the Remuneration Committee, the payment was not in consideration for the individual becoming a Director (or other such person) of the Company. For these purposes "payments" includes the Remuneration Committee satisfying awards of variable remuneration.

Awards under the LTIP are subject to the plan rules under which the awards were granted. The Remuneration Committee may adjust or amend awards in accordance with the provisions of the plan rules and as outlined elsewhere in this report.

Remuneration policy continued

In the event of any variation of the Company's share capital, demerger, delisting, or other event which may affect the value of awards, the Remuneration Committee may adjust or amend the terms of awards in accordance with the rules of the plan.

The Remuneration Committee may also make minor amendments to the remuneration policy set out in this report, without obtaining shareholder approval if they are required for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation.

Recruitment policy

The following table sets out the various components which would be considered for inclusion in the remuneration package for the appointment of an Executive Director and the approach to be adopted by the Remuneration Committee in respect of each component.

Element	Policy and operation
Policy application	• The Remuneration Committee's approach when considering the overall remuneration arrangements on the recruitment of an Executive Director from an external party is to take account of the Executive Director's remuneration package in their prior role, the market positioning of the remuneration package, and not to pay more than necessary to facilitate the recruitment of the individual. • Where an Executive Director is appointed from within the business, in addition to considering the matters detailed above for external candidates, our normal policy is that any legacy arrangements would be honoured in line with the original terms and conditions. • With the potential for internal succession planning in mind, CCEP will strive for alignment, where appropriate, between the approach taken at the Executive Director level and at other senior levels, ensuring that an appropriate pay progression is in place, thus facilitating talent development and succession planning.
Fixed elements	• Salary levels drive other elements of the package and would therefore be set at a level which is competitive, but no more than necessary. • The Executive Director would be eligible to participate in any benefit and/or pension arrangements which were operated for Executive Directors at the time, in accordance with the terms and conditions of such arrangements. These will align with the arrangements provided for the wider workforce. • The Company may meet certain mobility costs as required, including, for example, relocation support, expatriate allowances, temporary living and transportation expenses in line with the prevailing mobility policy and practice for senior executives.
Annual bonus	• The individual will be eligible to participate in the annual bonus plan, in accordance with the rules and terms of the plan in operation at the time. • The maximum level of opportunity will be no greater than that set out in the Policy table above (i.e. 360% of base salary).
Long-term incentives	• The individual will be eligible to participate in the LTIP, in accordance with the rules and terms of the plan in operation at the time. The maximum level of opportunity will be no greater than that set out in the Policy table above (i.e. 500% of base salary).
Buy out awards	• The Remuneration Committee will consider what buy out awards (if any) are necessary to facilitate the recruitment of a new Executive Director. This includes an assessment of the awards forfeited on leaving their current employer. In determining the quantum and structure of these commitments, the Remuneration Committee will seek to provide no more than the equivalent value and replicate, as far as practicable, the form, timing and performance requirements of the awards forfeited. Buy out share awards, if used, will be granted using the Company's existing LTIP to the extent possible, although awards may also be granted outside this plan if necessary and as permitted under the Listing Rules. In the case of an internal hire, any outstanding awards made in relation to the previous role will be allowed to be paid out according to their original terms. If promotion is part way through the year, an additional top-up award may be made to bring the Executive Director's opportunity to a level that is appropriate in the circumstances.

Remuneration policy continued

Service contracts and loss of office arrangements

The Remuneration Committee's policy on service contracts and termination arrangements for Executive Directors is set out below. On principle, it is the Remuneration Committee's policy that there should be no element of reward for failure. The Remuneration Committee's approach when considering payments in the event of a loss of office is to take account of the individual circumstances including the reason for the loss of office, Group and individual performance, contractual obligations of both parties as well as statutory requirements, share and pension plan rules.

The key employment terms and conditions of the current Executive Directors, as stipulated in their service contracts, are set out below:

Overall	Policy and operation
Notice period	• Executive Directors are employed on a rolling service contract which provides for a notice period of 12 months from the Company and 12 months from the individual. • New Executive Directors will be appointed on rolling service contracts with a notice period of not more than 12 months for both the Group and the individual. • The Remuneration Committee considers this policy provides an appropriate balance between the need to retain the services of key individuals for the benefit of the business and the need to limit the potential liabilities of the Group in the event of termination.
Contractual payments	• The standard Executive Director service contract does not confer any right to additional payments in the event of termination though it does reserve the right for the Group to impose garden leave on the Executive Director during any notice period. In the event of redundancy, benefits would be paid according to the Company's GB redundancy policy prevailing at that time.
Annual bonus	• Executive Directors may be eligible for a pro rata bonus for the period served, subject to performance. • No bonus will be paid in the event of gross misconduct.
Long-term incentives	• The treatment of unvested long-term incentive awards is governed by the rules of the plan. • Guidelines for normal treatment under the LTIP: – Resignation or termination for cause: the award is forfeited. – Death, ill-health, injury or disability: the award will normally vest in full. – Redundancy or other involuntary termination: the award will normally vest on the original vesting date, pro-rated for time served, and subject to performance conditions. – Good leaver: the Remuneration Committee may determine that a participant who ceases employment for any other reason (e.g. retirement, departure by mutual agreement) be treated as a 'good leaver' in which case the award will normally vest on the original vesting date, pro-rated for time served and subject to performance conditions. – Change of control: the award normally vests pro-rated for time served and subject to performance conditions. Alternatively, the award may be exchanged for awards in the acquiring company. – Vested LTIP awards still subject to a holding period will normally be released from the holding period in line with the usual timescales. • The Committee has discretion under the rules of the plan to disapply time pro-ration, or accelerate the vest date of awards for certain leaver scenarios, e.g. in the event of a good leaver or certain change of control events. • LTIP awards for participants who leave the Group to join TCCC or a franchise company of TCCC may continue to vest under the original terms. Alternatively should the awards lapse they may receive a cash payment in lieu. The cash payment will normally be equal to the value of the Shares they would have received, paid at the time they would have received them.

The cost of legal fees spent on reviewing a settlement agreement on departure, or other professional fees and settlement of any legal obligations or claims by a director, may be provided where appropriate. The Company also reserves the right to pay for outplacement services as appropriate.

Remuneration policy continued

Policy table for NEDs

The table below summarises the remuneration policy for NEDs.

Purpose and link to strategy	• To attract and retain high calibre individuals by offering market competitive fee arrangements.
Operation	• NEDs and the Chairman receive a basic fee in respect of their Board duties. • Further fees may be paid for specific committees or other Board duties. • Fees are set at a level which is considered appropriate to attract and retain the calibre of individual required by the Company. Fees will be reviewed and may be increased periodically. • Annual fees are set in UK sterling and may be received in alternative currencies at the election of the NED, using the applicable spot rate. • The Chairman and NEDs are not eligible for incentive awards or pensions. • Expenses incurred in the performance of non-executive duties (including occasional expenses associated with spouse accompanying the Chairman or NED on business travel or functions as required) for the Company may be reimbursed or paid for directly by CCEP, as appropriate, including any tax due on the benefits. • Additional small benefits may be provided.
Opportunity	• The Articles provide that the total aggregate remuneration paid to the Non-executive Chairman and the NEDs will be within the limits set by shareholders.

The NEDs, including the Chairman of the Board, do not have service contracts, but have letters of appointment. NEDs and the Chairman of the Board are not entitled to compensation on leaving the Board.

The election and re-election of Directors in accordance with the Shareholders' Agreement and Articles of Association is described on page 106 of the Corporate governance report

Consideration of shareholder views

The Remuneration Committee recognises the importance of building and maintaining a good relationship with shareholders.

The Remuneration Committee engaged with the Company's largest shareholders and their representative bodies in early 2023 in respect of the renewal of our remuneration policy, however no major concerns were raised with the policy proposed.

In future, the Remuneration Committee will continue to monitor shareholder views when evaluating and setting ongoing remuneration strategy, and will consult with shareholders prior to any significant changes to our remuneration policy.

Annual report on remuneration

Remuneration outcomes for 2022

The following pages set out details of the remuneration received by Directors for the financial year ending 31 December 2022. Prior year figures have also been shown. Audited sections of the report have been identified.

The Directors' remuneration in 2022 was awarded in line with the remuneration policy which was approved by shareholders at the AGM in May 2020.

Single figure table for Executive Directors (audited)

Individual	Year	Salary (£000)	Taxable benefits (£000)	Pension (£000)	Fixed pay (£000)	Annual bonus (£000)	Long-term incentives (£000)	Variable remuneration (£000)	Total remuneration (£000)
Damian Gammell	2022	1,208	135	26	1,369	3,730	6,720[A]	10,450	11,819
	2021	1,179	134	26	1,339	3,567	2,766	6,333	7,672

(A) Estimated value based on three-month average share price and exchange rate to 31 December 2022 of US$50.19 (£42.81) and includes £533,000 cash payment in respect of dividend equivalents to be paid on the vested Shares. Number will be restated in next year's single figure table to show the final value on the vesting date of 17 March 2023. Around £2,124,000 of the vest value is attributable to share price appreciation.

Notes to the single figure table for Executive Directors (audited)

Base salary

Damian Gammell received a salary increase of 3.25% from £1,178,787 to £1,217,098 effective from 1 April 2022. This increase was in line with the merit increase provided to the wider GB workforce of 3.25%.

Taxable benefits

During the year, Damian Gammell received the following main benefits: car allowance (£14,000), financial planning allowance (£10,000), schooling allowance (£75,000 net) and family private medical coverage (£8,000).

Pension

The pension provisions that apply to Damian Gammell are aligned to all other GB employees. Damian Gammell elected to receive a cash allowance in lieu of participation in the pension scheme. This equates to a payment of £30,000 from CCEP inclusive of employer National Insurance contributions (i.e. the actual benefit received by Damian Gammell is less than £30,000 per year).

Annual bonus

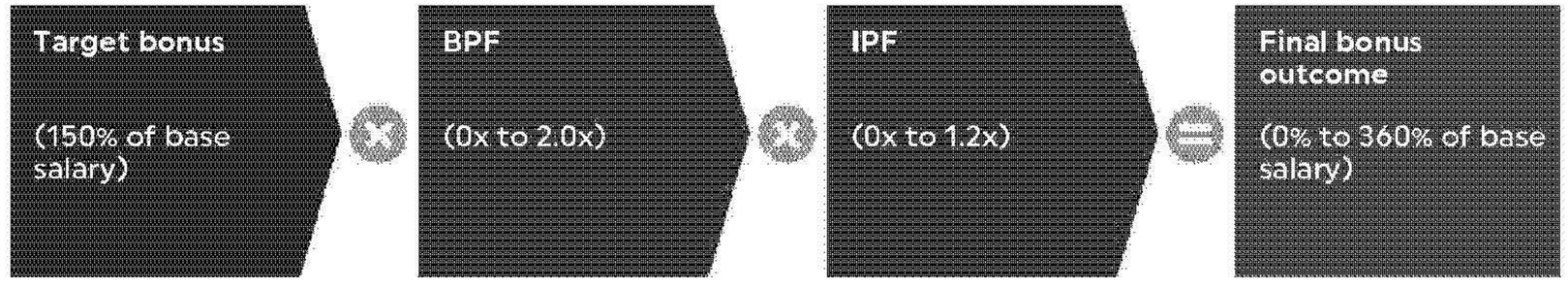
Overview of CCEP's annual bonus design

The 2022 CCEP annual bonus plan was designed to incentivise the delivery of the business strategy and comprised the following elements:

Business Performance Factor (BPF) – provides alignment with our core objectives to deliver strong financial performance against our main financial performance indicators of operating profit (50%), revenue (30%) and operating free cash flow (20%).

Individual Performance Factor (IPF) – individual objectives were also set for Damian Gammell focused on a number of areas which are aligned to key longer-term strategic objectives of the business.

In line with the remuneration policy, Damian Gammell had a target bonus opportunity of 150% of salary. Actual payments range from zero to a maximum of 360% of salary depending on the extent to which business and individual performance measures were achieved.



2022 annual bonus outcome – BPF

Financial performance in 2022 has been strong, with performance for all three financial measures being above target.

		Performance targets			Performance outcomes	
Measure	Weighting	Threshold (0.25x multiplier)	Target (1x multiplier)	Maximum (2x multiplier)	Actual outcome	Multiplier achieved
Operating profit[A]	50%	€1,868m	€2,075m	€2,241m	€2,149m	1.45x
Revenue[B]	30%	€15,312m	€16,052m	€16,499m	€17,271m	2.00x
Operating free cash flow[C]	20%	€1,958m	€2,175m	€2,349m	€2,344m	1.97x
Total	**100%**					**1.72x**

(A) Comparable operating profit on a FX neutral basis at budget rates.
(B) Revenue on a FX neutral basis at budget rates.
(C) Comparable operating profit before depreciation and amortisation and adjusting for capital expenditures, restructuring cash expenditures and changes in operating working capital, on a FX neutral basis at budget rates.

2022 annual bonus outcome – IPF

To determine an appropriate IPF, the Chairman of the Board assesses Damian Gammell's performance against the individual performance objectives that were set at the start of the year. The outcome is then discussed with and recommended by the Committee for final approval by the Board.

Damian Gammell once again provided exceptional leadership of the business during 2022 within a very challenging external environment. He delivered strongly against his individual objectives outlined below, and the Board determined that his IPF should be set at 1.2x for the year.

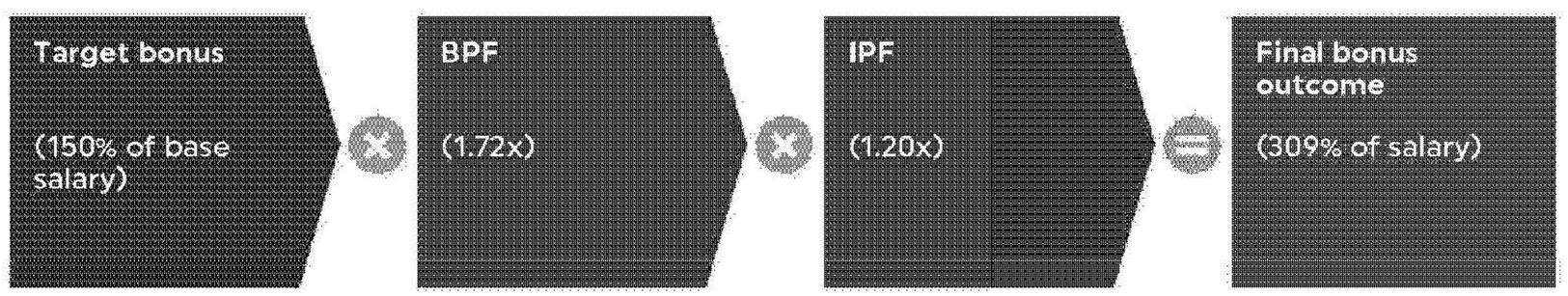
Annual report on remuneration continued

Further details of some of the specific objectives, which link to our strategy pillars (Great people, Great service, Great beverages, Done sustainably) achieved are included in the table below:

2022 objectives	Performance delivered	Strategic objective
Operating model review	• Full review undertaken with initial roll out in API	
Volume and value share growth in sparkling	• Non-alcoholic ready to drink and sparkling soft drinks volume and value share growth versus 2021	
Senior management gender ratio	• Senior management gender ratio in line with target to reach 2025 goal	
Safety and wellbeing culture	• Group TIR of 0.87 • Delivery of safety and wellbeing programmes across CCEP, including integration of API	
Plan for plastics	• Delivered ahead of plan for rPET. Group rPET usage of 48.5% (Europe 56.3%; API 26.9%)	
API integration	• Delivery of long-term plan for API markets	

2022 annual bonus outcome – calculation

Based on the level of performance achieved, as set out above, this resulted in a cash bonus paid following the year end to Damian Gammell as follows:



Link to strategy

Great people | Great service | Great beverages | Done sustainably

Long-term incentives

Awards vesting for performance in respect of 2022

The 2020 LTIP award was subject to EPS, ROIC and CO_2e reduction performance targets measured over the three year performance period from 1 January 2020 to 31 December 2022. Following the Acquisition in 2021, revised targets for the combined business were set in September 2021 and were fully disclosed in last year's remuneration report. The performance outcome is shown in the table below.

		Performance targets[D]				
Measure	Weighting	Threshold (25% vesting)	Target (100% vesting)	Maximum (200% vesting)	Actual performance outcome	Final vesting level
EPS[A]	42.5%	€2.96	€3.15	€3.34	€3.39	2.00x
ROIC[B]	42.5%	8.2%	8.6%	9.1%	9.3%	2.00x
CO_2e reduction[C]	15%	6.0% per litre	8.0% per litre	10.0% per litre	15.3% per litre	2.00x[E]
Total formulaic vesting level						2.00x
Total vesting after discretion						1.85x

(A) Comparable and on a tax and currency neutral basis, adjusted for brand sales.
(B) ROIC calculated as comparable operating profit after tax attributable to shareholders, on a tax and currency neutral basis, divided by the average of opening and closing invested capital for the year, adjusted for brand sales and material non-cash equity accounting adjustments. Invested capital is calculated as the addition of borrowings and equity attributable to shareholders less cash and cash equivalents and short-term investments.
(C) Target based on entire value chain in Europe.
(D) Straight-line vesting between each vesting level shown.
(E) Discretion applied to cap vesting level at 1.00x for the CO_2e reduction measure.

In assessing the formulaic vesting outcome of the 2020 LTIP, the Committee additionally undertook a holistic assessment of overall performance over the three year period to determine whether the formulaic outcome was an appropriate vesting level for all participants and reflected underlying Company performance. The Committee took into account a wide range of performance reference points, including financial performance, returns to shareholders, the stakeholder experience and our sustainability achievements, as described below. As a result of the assessment the Committee determined the overall performance of the business to be strong. However, the Committee considered it appropriate to apply downwards discretion in respect of the final vesting level for the CO_2e reduction measure and cap this at target. This reduced the overall vesting level to 1.85x target, and the Committee believes this to be a fair reflection of overall performance.

As the award does not vest until 17 March 2023 (the signing date of this report), the final value of the award has been estimated based on the average share price over the three-month period from 1 October 2022 to 31 December 2022 of US$50.19 (£42.81). This would result in a final pay out of around £6.7 million including the value of the cash payment to be received in respect of dividend equivalents accrued during the performance period (£533,000). As outlined in the Chairman's letter, over £2.1 million of this value is as a result of the significant increase in share price over the three year vesting period, which has delivered over £8 billion of value to shareholders over the same period. The actual value on the vesting date will be reported in next year's ARR.

Annual report on remuneration continued

Overall business performance

- NARTD value share growth over the performance period (2020 = +40 bps, 2021 = +40bps, and 2022 = +10bps).
- Largest FMCG value creator in Europe, and largest NARTD value creator in Australia and New Zealand – created over €1.3 billion of value in 2022 for our customers in Europe, Australia and New Zealand. Across the three year performance period we created €2.4 billion for customers across our markets, by focusing on core brands, in-market execution and revenue growth management initiatives.
- We committed to rebasing our cost base versus pre-pandemic levels. As a percent of revenue, our comparable operating expenses are lower now (FY22; 24%), not only compared to last year (FY21; 25%), but more importantly compared to 2019 (FY19; 26%).
- Strong adjusted free cash flow generation of €1.8 billion in 2022, ahead of our recently raised annual medium-term objective of at least €1.7 billion.

Shareholder experience

- Share price performance – highest share price in history of Company of US$62.30 achieved during the performance period. Share price at vesting was around two thirds above the grant price.
- Significant value delivered to shareholders through continued payment of dividends – FY22 dividend per share of €1.68, (+20.0% versus 2021), and cumulative dividends of €1.8 billion over the period, maintaining an annualised dividend pay-out ratio of approximately 50%.
- Strong TSR growth – 16% growth over the three year period, which was between median and upper quartile performance versus FMCG peers and outperformed both the FTSE 100 (4%) and Euronext 100 (13%).
- Total of over US$1.9 billion of value being delivered to shareholders over the three year performance period (€1.8 billion in dividends and €129 million in share buybacks).

Successful acquisition and integration of CCL

- Completed the Acquisition in May 2021 to become a truly global bottler, and solidify our position as the largest Coca-Cola bottler by revenue in the world.
- First full year as Coca-Cola Europacific Partners, integration now well advanced with portfolio reorientation initiatives nearing completion and strong financial performance in 2022 (achieving both revenue and operating profit ahead of pre-pandemic levels).

Continued delivery of our sustainability agenda

- CCEP's focus on long-term value creation and innovation positions sustainability at the heart of everything we do. Over the 2020 LTIP performance period we delivered the following in Europe:
  - Reduction in European total incident rate 2019–2022 from 1.45 to 1.04
  - Approximately 30% GHG emissions reduction across our value chain since 2010 and 11.4% since 2019
  - Reduction in water use ratio 2019–2022 from 1.60 to 1.57
  - Achieved >50% rPET target four years early in Europe, ending 2022 with an average of 56.3% PET used which is rPET

Wider workforce and other stakeholder experiences

- Our primary focus throughout the performance period, in the context of the global pandemic and macro geopolitical environment, was on the safety and wellbeing of our colleagues. This included emotional and mental wellbeing support through a COVID-19 support hub, an expanded Employee Assistance Programme, and a significant Mental Health First Aider programme to provide ongoing support to all employees.
- In recognition of the rising cost of living, one-off payments were delivered in 2022 to our lowest paid colleagues in selected markets.
- As disclosed in last year's remuneration report, there was limited financial impact on all employees during the pandemic with continued frontline and group incentive payouts, limited use of government support schemes with a total value received of less than 0.2% of total employee expenditure, and continued salary increases for all employees in 2020 and for over 75% of employees in 2021. In 2022, we launched our Employee Share Purchase Plan for all our colleagues.
- Focus on our communities – our staff in Europe volunteered 28,562 hours with a total of €12.2 million in community investment in Europe and API. Our Support my Cause initiative enables our people to nominate and support grassroots charitable and community causes. In 2022, we donated €270,000 to 38 local charities and community groups across our territories. In addition, we donated over €480,000 to support 135 grassroots charitable and community partnerships located close to our sites and offices. Following its success in Europe, we launched the programme in Indonesia and New Zealand in 2022.
- Focus on our customers – we have an unrivalled customer coverage with whom we jointly create value, with more than €2 billion added to the FMCG industry since 2020.

Annual report on remuneration continued

Awards granted in 2022 (audited)

A conditional award of performance share units (PSUs) was granted under the CCEP LTIP to Damian Gammell on 10 March 2022, with a target value of 250% of salary in line with the remuneration policy. The performance measures were unchanged from the prior year and continued to align with the long-term strategy – EPS, ROIC and CO_2e reduction. Given the significant market uncertainty caused by the geopolitical situation in March 2022, the targets were not set until September 2022. Targets were set at stretching levels and on the same basis as in prior years, taking into account both our long-term plan and external forecasts.

Further details are set out below:

Individual	Date of award	Maximum number of Shares under award	Target number of Shares under award[A]	Closing Share price at date of award	Face value	Performance period	Normal vesting date
Damian Gammell	10 Mar 2022	163,776	81,888	US$45.42	US$7,438,706	1 Jan 2022 – 31 Dec 2024	10 Mar 2025

(A) Number of Shares awarded calculated using 10 day average share price to the normal grant date (10 March 2022) of US$48.63.

The vesting of awards is subject to the achievement of the following performance targets:

Measure	Definition	Weighting	Vesting level[D] (% of target) 25%	100%	200%
EPS[A]	EPS achieved in the final year of the performance period (FY 2024)	42.5%	€3.19	€3.58	€3.85
ROIC[B]	ROIC achieved in the final year of the performance period (FY 2024)	42.5%	8.8%	9.7%	10.4%
CO_2e reduction[C]	Relative reduction in total value chain GHG emissions since 2021 (gCO_2e/litre)	15%	6.0% per litre	8.0% per litre	10.0% per litre

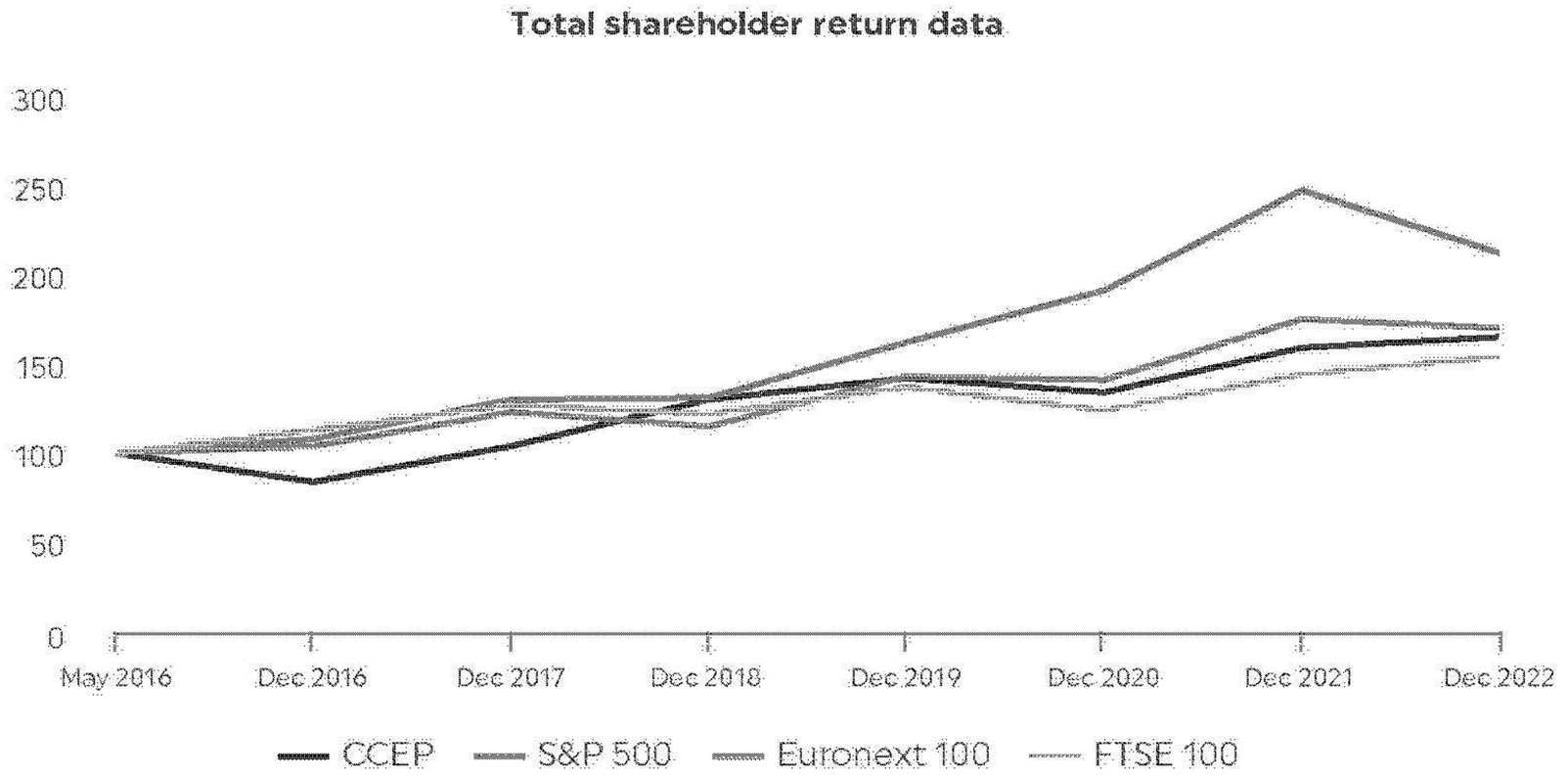
(A) Comparable and on a tax and currency neutral basis, adjusted for brand sales and material non-cash equity accounting adjustments. Should there be share repurchases during the performance period, an adjustment will be made to neutralise for the impact of share repurchases and will be fully disclosed at the time of vesting.
(B) ROIC calculated as comparable operating profit after tax attributable to shareholders, on a tax and currency neutral basis, divided by the average of opening and closing invested capital for the year, adjusted for brand sales and material non-cash equity accounting adjustments. Invested capital is calculated as the addition of borrowings and equity attributable to shareholders less cash and cash equivalents and short-term investments.
(C) Target based on entire value chain in Europe. The target will be adjusted to include our API markets once work is completed to amalgamate our calculations of GHG emissions across the entire business.
(D) Straight-line vesting between each vesting level (shown).

Any award vesting for the CEO will be subject to a two year post-vesting holding period.

Historical TSR performance and CEO remuneration outcomes

The chart below compares the TSR performance of CCEP from admission up until 31 December 2022 with the TSR of the Euronext 100, the FTSE 100 and the S&P 500. These indices have been chosen as recognised equity market indices of companies of a similar size, complexity and global reach as CCEP.

30 trading day average data: against S&P 500, Euronext 100 and FTSE 100



The following table summarises the historical CEO's single figure of total remuneration and annual bonus pay out as a percentage of the maximum opportunity over this period:

	2016[A] John Brock	2016[A] Damian Gammell	2017 Damian Gammell	2018 Damian Gammell	2019 Damian Gammell	2020 Damian Gammell	2021 Damian Gammell	2022 Damian Gammell
CEO single figure of remuneration ('000)	US$3,890	£27	£3,716	£3,821	£7,839	£5,513	£7,672	£11,819
Annual bonus pay out (as a % of maximum opportunity)	31.23%	40.6%	60.7%	63.1%	43.7%	35.3%	84.1%	85.8%
LTI vesting (as a % of maximum opportunity)	N/A	N/A	N/A	N/A	59.0%	36.5%	45.0%	92.5%

(A) The figures for 2016 are in respect of the period for which each individual served as CEO during the year. John Brock served as CEO from 29 May to 28 December 2016. Damian Gammell served as CEO from 29 December to 31 December 2016.

Annual report on remuneration continued

Percentage change in CEO and Director remuneration

The table below shows the percentage change in CEO and Director remuneration from 2021 to 2022 compared to the average percentage change in remuneration for all employees of the Parent Company, in line with the revised reporting regulations.

	2022			2021			2020		
Comparator	**Base salary/fee**	**Taxable benefits[E]**	**Annual bonus**	**Base salary/fee**	**Taxable benefits[E]**	**Annual bonus**	**Base salary/fee**	**Taxable benefits[E]**	**Annual bonus**
CEO	2.5%	0.7%	4.6%	0.4%[F]	0.0%	139.4%	2.0%	5.5%	(17.5)%
All employees	3.4%	0.6%	11.7%	1.7%	1.1%	139.9%	2.7%	0.2%	(21.9)%
Other Directors									
Sol Daurella	2.4%	200.0%	n/a	0.0%	0.0%	n/a	0.5%	0.0%	n/a
Manolo Arroyo[A]	71.9%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Jan Bennink	(7.8)%	200.0%	n/a	0.0%	100.0%	n/a	0.0%	(66.7)%	n/a
John Bryant[B]	3.5%	125.0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a
José Ignacio Comenge Sánchez-Real	2.0%	125.0%	n/a	0.0%	300.0%	n/a	1.0%	(80.0)%	n/a
Christine Cross	1.6%	80.0%	n/a	0.0%	400.0%	n/a	(1.5)%	(75.0)%	n/a
Nathalie Gaveau	6.5%	200.0%	n/a	0.0%	0.0%	n/a	0.0%	(66.7)%	n/a
Álvaro Gómez-Trénor Aguilar	2.4%	100.0%	n/a	0.0%	100.0%	n/a	0.0%	(71.4)%	n/a
Thomas H. Johnson	2.7%	550.0%	n/a	0.0%	n/a	n/a	3.5%	(100.0)%	n/a
Dagmar Kollmann	16.8%	150.0%	n/a	0.0%	300.0%	n/a	71.2%	(83.3)%	n/a
Alfonso Líbano Daurella	1.0%	n/a	n/a	0.0%	n/a	n/a	1.0%	(100.0)%	n/a
Mark Price	5.8%	200.0%	n/a	0.0%	0.0%	n/a	71.7%	(50.0)%	n/a
Mario Rotllant Solá	14.3%	125.0%	n/a	0.0%	300.0%	n/a	1.0%	(80.0)%	n/a
Brian Smith[C]	6.5%	500.0%	n/a	109.1%	n/a	n/a	n/a	n/a	n/a
Dessi Temperley[D]	15.3%	150.0%	n/a	69.0%	n/a	n/a	n/a	n/a	n/a
Garry Watts	(7.5)%	50.0%	n/a	0.0%	n/a	n/a	0.8%	(100.0)%	n/a

(A) Appointed to the Board on 26 May 2021.
(B) Appointed to the Board on 1 January 2021.
(C) Appointed to the Board on 9 July 2020.
(D) Appointed to the Board on 27 May 2020.
(E) Reduction and increases in taxable benefits reflect the impact of travel restrictions across 2020, 2021 and 2022.
(F) No increase was applied for 2021, but small increase reflects the 2020 salary increase applying only from 1 April 2020.

Annual report on remuneration continued

Relative importance of spend on pay

The table below shows a summary of distributions to shareholders by way of dividends and share buyback as well as total employee expenditure for 2021 and 2022, along with the percentage change of each.

	2022	2021	% change
Total employee expenditure	€2,318m	€2,016m	15.0%
Dividends[A]	€763m	€638m	19.6%

(A) There were no share buybacks in 2021 or 2022.

CEO pay ratio

The table below shows the ratio of the CEO's single figure of remuneration for 2022 to the 25th percentile, median and 75th percentile total remuneration of full time equivalent GB employees. The ratio is heavily influenced by the fact that the CEO participates in the LTIP. If the LTIP is excluded from the calculation then the median ratio would be 74:1. The main reason for the increase in the ratio from 2020 to 2021, and 2021 to 2022 is the CEO's increasing bonus and LTIP values in each year.

Year	Method	25th percentile ratio	Median ratio	75th percentile ratio
2022	Option B	281:1[A]	171:1[B]	130:1[C]
2021		221:1	162:1	92:1
2020		175:1	105:1	83:1
2019		250:1	169:1	111:1

(A) The individual used in this calculation received total pay and benefits of £42,000 (of which £26,000 was salary).
(B) The individual used in this calculation received total pay and benefits of £69,000 (of which £46,000 was salary).
(C) The individual used in this calculation received total pay and benefits of £91,000 (of which £61,000 was salary).

The Committee has chosen Option B (hourly gender pay gap information as at 5 April 2022) to determine the ratios, as that data was already available and provides a clear methodology to calculate full time equivalent earnings. No component of pay and benefits has been omitted for the purposes of the calculations.

The Committee is satisfied that the individuals whose remuneration is used in the above calculations are reasonably representative of employees at the three percentile points, having also reviewed the remuneration for individuals immediately above and below each of these points and noted that the spread of ratios was acceptable. No adjustments were made to the three reference points selected.

The Committee believes the median ratio is consistent with the pay and reward policies for CCEP's GB employees. CCEP is committed to offering an attractive package for all employees. Salaries are set with reference to factors such as skills, experience and performance of the individual, as well as market competitiveness. All employees receive a wide range of employee benefits and a large number are eligible for an annual bonus. Our LTIP is designed to link remuneration to the delivery of long-term strategic objectives and therefore participation is typically offered to senior employees who have the ability to influence these outcomes. The 25th percentile, median and 75th percentile employees identified in the above calculation do not participate in the LTIP. As the CEO participates in the LTIP, the ratio will be influenced by vesting outcomes and will likely vary year on year. In consideration of these points, the Committee considers that the levels of remuneration are appropriate.

Annual report on remuneration continued

Payments to past Directors (audited)

There were no payments to past Directors during the year, other than those disclosed elsewhere in this report.

Payments for loss of office (audited)

There were no payments for loss of office during the year.

Statement of Directors' share ownership and share interests (audited)

Interests of the CEO

The CEO is required to hold 300% of their base salary in Shares. The guideline is expected to be met within five years of appointment. Until the guideline is met, 50% of any vested Shares from incentive awards (after tax) must be retained. The guideline continues to apply for one year following termination of employment.

Share ownership requirements and the number of Shares held by Damian Gammell are set out in the table below.

	Interests in Shares at 31 December 2022	Interests in share incentive schemes subject to performance conditions at 31 December 2022[A][B][C]	Interests in share option schemes[A][B]	Share ownership requirement as a % of salary	Share ownership as a % of salary achieved at 31 December 2022[D]	Shareholding guideline met
Damian Gammell[E]	399,323	469,446	324,643	300%	1,500%	✓

(A) For further details of these interests, please refer to footnote (C) of the outstanding awards table below.
(B) Do not count towards achievement of the share ownership guideline.
(C) The CEO has no interests in share incentive schemes not subject to performance conditions at 31 December 2022.
(D) The Remuneration Committee has simplified our share ownership policy to calculate shareholdings based on the prevailing share price and salary at 31 December 2022.
(E) A further 144,544 shares will vest under the 2020 LTIP on 17 March 2023.

Details of the CEO's share awards are set out in the table below.

Director and grant date	Form of award	Exercise price	Number of Shares subject to awards at 31 December 2021	Granted during the year	Vested during the year	Exercised during the year	Lapsed during the year	Number of Shares subject to awards at 31 December 2022	End of performance period	Vesting date
Damian Gammell[A]										
1 Mar 2019	PSU[B]	N/A	156,008	–	70,204	N/A	85,804	–	31 Dec 2021	1 Mar 2022
17 Mar 2020	PSU[C][D]	N/A	156,264	–	–	N/A	–	156,264	31 Dec 2022	17 Mar 2023
29 Sep 2021	PSU[C]	N/A	149,406	–	–	N/A	–	149,406	31 Dec 2023	15 Mar 2024
10 Mar 2022	PSU[C]	N/A	–	163,776	–	N/A	–	163,776	31 Dec 2024	10 Mar 2025

(A) In addition, the CEO has 324,643 vested but unexercised options with an expiry date of 5 November 2025 and an exercise price of US$39.00. No options were exercised by the CEO during the year.
(B) The performance condition was satisfied at 45% of maximum on 31 December 2021. Award vested on 1 March 2022.
(C) The number of Shares shown is the maximum number of Shares that may vest if the performance targets are met in full.
(D) The 2020 PSU awards vested at 185% of target (144,544 shares) on 17 March 2023.

Annual report on remuneration continued

Interests of other Directors (audited)

The table below gives details of the Share interests of each NED either through direct ownership or connected persons.

	Interests in Shares at 31 December 2022
Sol Daurella[A][B]	33,358,143
Manolo Arroyo	–
Jan Bennink	49,790
John Bryant	3,340
José Ignacio Comenge Sánchez-Real[A]	7,836,065
Christine Cross	–
Nathalie Gaveau	–
Álvaro Gómez-Trénor Aguilar[A]	3,141,311
Thomas H. Johnson	14,000
Dagmar Kollmann	–
Alfonso Líbano Daurella[A]	6,696,072
Mark Price	–
Mario Rotllant Solá	–
Brian Smith	–
Dessi Temperley	–
Garry Watts	10,000

(A) Shares held indirectly through Olive Partners. The number of Shares increased slightly during the year as a result of a reduction in Olive Partners' share capital.
(B) For the purposes of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), Sol Daurella (and her connected persons within the meaning of section 252 of the Companies Act) are deemed to be interested in the shares held by Olive by virtue of their indirect minority interest in Cobega S.A. which indirectly owns 57.4% of Olive.

Dilution levels

The terms of the Company's share plans set limits on the number of newly issued Shares that may be issued to satisfy awards. In accordance with guidance from the Investment Association, these limits restrict overall dilution under all plans to under 10% of the Company's issued share capital over a 10 year period in relation to the Company's issued share capital, with a further limitation of 5% in any 10 year period on discretionary plans.

Single figure table for NEDs (audited)

The following table sets out the total fees and taxable benefits received by the Chairman and NEDs for the year ended 31 December 2022. Prior year figures are also shown.

	2022 (£'000)				2021 (£'000)			
Individual	Base fee	Chairman/ Committee fees	Taxable benefits[A]	Total fees	Base fee	Chairman/ Committee fees	Taxable benefits[A]	Total fees
Sol Daurella	578	26	3	607	564	26	1	591
Manolo Arroyo[B]	84	26	8	118	49	15	0	64
Jan Bennink	84	34	12	130	82	46	4	132
John Bryant	84	33	9	126	82	31	4	117
José Ignacio Comenge Sánchez-Real	84	16	9	109	82	16	4	102
Christine Cross	84	46	9	139	82	46	5	133
Nathalie Gaveau	84	14	3	101	82	10	1	93
Álvaro Gómez-Trénor Aguilar	84	–	8	92	82	–	4	86
Thomas H. Johnson	116	37	13	166	113	36	2	151
Dagmar Kollmann	84	48	10	142	82	31	4	117
Alfonso Líbano Daurella	84	20	3	107	82	21	0	103
Mark Price	84	25	6	115	82	21	2	105
Mario Rotllant Solá	84	28	9	121	82	16	4	102
Brian Smith	84	14	12	110	82	10	2	94
Dessi Temperley	84	29	10	123	82	16	4	102
Garry Watts	84	40	6	130	82	52	4	138

(A) Taxable benefits mainly relate to travel and accommodation costs in respect of attendance at Board meetings with FX rates used as at the date of the relevant meeting. Former director Irial Finnan received a taxable benefit in 2022 with a value of £5,000 in respect of attendance at a Board event delayed from 2021.
(B) Appointed to the Board on 26 May 2021.

Annual report on remuneration continued

Implementation of remuneration policy for 2023

Base salary

Damian Gammell will receive a 2.0% salary increase effective 1 April 2023. This is lower than the average merit increase provided to the wider GB workforce of 6.0%.

Individual	2022 salary	2023 salary (effective from 1 April)	% increase
Damian Gammell	£1,217,098	£1,241,440	2.0%

Taxable benefits

No significant changes to the provision of benefits are proposed for 2023. The main benefits for Damian Gammell will continue to include allowances in respect of: a car, financial planning, schooling and private healthcare.

Pension

No changes are proposed in respect of the pension provision for Damian Gammell. He will continue to receive a cash allowance of £30,000 (inclusive of employer National Insurance contributions) in lieu of participation in the pension scheme.

Annual bonus

No changes have been made to the structure of the annual bonus plan for 2023, and the opportunity for Damian Gammell will remain unchanged at 150% of salary for target performance and 360% for maximum performance.

Performance will continue to be assessed against financial and individual performance measures on a multiplicative basis as set out on page 130. The financial measures and relative weightings will also remain unchanged.

Measure	Definition	Weighting
Operating profit	Comparable operating profit on a FX neutral basis at budget rates	50%
Revenue	Revenue on a FX neutral basis at budget rates	30%
Operating free cash flow	Comparable operating profit before depreciation and amortisation and adjusting for capital expenditures, restructuring cash expenditures and changes in operating working capital, on a FX neutral basis at budget rates	20%

In determining the IPF for Damian Gammell for 2023, he will be assessed against a number of objectives which are aligned to the key longer-term strategic objectives of the business, which include:

Objectives include:

- Growth in market share aligned with the business plan
- Competitiveness targets as agreed with the Board
- ID&E targets linked to % of female leaders and our ID&E strategy

The actual financial targets are not disclosed prospectively as they are deemed commercially sensitive. We intend to disclose them in next year's ARR. A fuller description of individual performance objectives including specific quantitative measures (where appropriate) and their outcomes will also be disclosed in next year's ARR.

Long-term incentive

Damian Gammell's long-term incentive opportunity for 2023 will be aligned with the limits set out in the remuneration policy. He was granted a target award of 250% of salary on 13 March 2023 and may receive up to two times this target award (130,738 shares) if the maximum performance targets are achieved.

The 2023 LTIP award will continue to be based on a mix of EPS, ROIC, and CO_2e reduction, unchanged from last year.

The financial targets have been set at stretching levels taking into account both our long-term plan and external forecasts.

Following the end of the performance period, awards will be subject to an additional two year holding period.

			Vesting level[D] (% of target)		
Measure	Definition	Weighting	25%	100%	200%
EPS[A]	EPS achieved in the final year of the performance period (FY 2025)	42.5%	€3.63	€4.07	€4.37
ROIC[B]	ROIC achieved in the final year of the performance period (FY 2025)	42.5%	10.8%	12.0%	13.1%
CO_2e reduction	Relative reduction in total value chain GHG emissions since 2022 (gCO_2e/litre)	15%	12.0% per litre	14.5% per litre	17.0% per litre

(A) Comparable and on a tax and currency neutral basis, adjusted for brand sales and material non-cash equity accounting adjustments. Should there be share repurchases during the performance period, an adjustment will be made to neutralise for the impact of share repurchases and will be fully disclosed at the time of vesting.
(B) ROIC calculated as comparable operating profit after tax attributable to shareholders, on a tax and currency neutral basis, divided by the average of opening and closing invested capital for the year, adjusted for material non-cash equity accounting adjustments. Invested capital is calculated as the addition of borrowings and equity attributable to shareholders less cash and cash equivalents and short-term investments.
(C) Target based on entire CCEP value chain.
(D) Straight-line vesting between each vesting level shown.

Annual report on remuneration continued

Chairman and NED fees

The NED base fee, Chairman fee and additional fees were last increased with effect from 1 April 2022. The additional fees for the Nomination Committee Chairman and membership of the Nomination Committee were increased with effect from 1 April 2023.

Role		Current fees	Fees effective 1 April 2023
Chairman		£582,000	£582,000
NED basic fee		£85,000	£85,000
Additional fee for Senior Independent Director		£31,750	£31,750
Additional fee for Committee Chairman	Audit and Remuneration Committees	£37,250	£37,250
	Affiliated Transaction and ESG Committees	£36,000	£36,000
	Nomination Committee	£21,250	£36,000
Additional fee for Committee membership	Audit and Remuneration Committees	£16,000	£16,000
	Affiliated Transaction and ESG Committees	£15,500	£15,500
	Nomination Committee	£10,500	£15,500

The Remuneration Committee

The entire Board determines the terms of the compensation of the CEO and fees for the NEDs and Chairman and approves the remuneration policy, all on the Committee's recommendation. The Committee is also responsible for setting the remuneration for each member of the ELT reporting to the CEO.

The Terms of Reference can be found on our website at cocacolaep.com/about-us/governance/committees

Remuneration Committee members and attendance

In line with the Shareholders' Agreement, the Committee has five members, as set out on pages 89-93. There are three independent NEDs, one Director nominated by Olive Partners and one Director nominated by ER. The Committee formally met six times during the year, with one additional ad hoc meeting in line with business needs. Attendance is set out in Table 2 on page 105 of the Corporate governance report.

As described in the remuneration policy, the Committee receives an annual report in respect of wider workforce remuneration including pay and reward policies, which informs its decisions on executive pay. The Committee does not engage directly with employees on the issue of executive pay, however, within CCEP, employee groups are regularly consulted about matters affecting employees including our strategy, Company performance, culture and approach to reward, and this feedback informs decisions on people matters and other activities.

Support for the Remuneration Committee

Deloitte was appointed by the Remuneration Committee in 2016 following a selection process. During the year, Deloitte provided the Committee with external advice on executive remuneration. Deloitte is a member of the Remuneration Consultants Group and has voluntarily signed up to the Remuneration Consultants' Code of Conduct relating to executive remuneration consulting in the UK. The Committee is satisfied that the engagement partner and team that provide advice to the Committee do not have connections with CCEP or individual Directors that may impair their independence. During 2022, the wider Deloitte firm also provided CCEP with other tax, digital transformation, access security and consultancy services.

Total fees received by Deloitte in relation to the remuneration advice provided to the Committee during the year amounted to £69,200 based on the required time commitment.

Annual report on remuneration continued

Remuneration Committee key activities

The table below gives an overview of the key agenda items discussed at each scheduled meeting of the Remuneration Committee during 2022:

Meeting date	Key agenda items	
February 2022	• Approval of financial performance outcome for 2021 annual bonus	• Approval of 2021 annual bonus outcome for the ELT
	• Approval of final vesting outcome for 2019 LTIP	• Review of ELT individual objectives in respect of the 2022 annual bonus
March 2022	• Approval of 2022 annual bonus financial performance measures and targets	• Approval of 2022 ELT Remuneration packages
	• Approval of 2022 LTIP opportunities	• Review of 2021 Remuneration Report
	• Review of Committee effectiveness	• Review of Chairman and NED fees
May 2022	• Review of remuneration policy	• AGM voting update
	• Review of Committee Terms of Reference	• Deloitte Market Update
	• Advisor review	• Update on Employee Share Purchase Plan (ESPP)
September 2022	• Approval of 2022 LTIP targets	• Review of executive shareholding guidelines
	• Review of remuneration policy	
October 2022	• Review of 2022 annual bonus and 2020 LTIP performance	• Update on Remuneration Committee advisors
	• Approach to shareholder consultation	
December 2022	• Review of first draft of the 2022 Remuneration Report	• Base pay design for 2023
		• Incentive design for 2023
	• Performance update for 2022 annual bonus	

The Chairman, CEO, CFO, and the Chief People and Culture Officer attended meetings by invitation of the Committee to provide it with additional context or information, except where their own remuneration was discussed.

Summary of voting outcomes

The table below shows how shareholders voted in respect of the ARR at the AGM held on 27 May 2022 and the remuneration policy at the AGM held on 27 May 2020:

Resolution	Votes for (%)	Votes against (%)	Number of votes withheld
Approval of the ARR	86.18%	13.82%	11,992,026
Approval of the remuneration policy	99.48%	0.52%	56,633

This Directors' remuneration report is approved by the Board and signed on its behalf by

John Bryant, Chairman of the Remuneration Committee
17 March 2023

Directors' report

The Directors present their report, together with the audited consolidated financial statements of the Group, and of the Company, for the year ended 31 December 2022.

This Directors' report has been prepared in accordance with the applicable disclosure requirements of the following:

- Companies Act
- Listing Rules (LRs) and DTRs
- Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, as published by the UK Competition and Markets Authority (with which the Company complies voluntarily)
- Rules promulgated by the US Securities and Exchange Commission

Additional information and disclosures, as required by the Companies Act, LRs and DTRs, are included elsewhere in this Integrated Report and are incorporated into this Directors' report by reference in Table 1.

This Directors' report, together with the Strategic Report on pages 1-85, represents the management report for the purpose of compliance with DTR 4.1.5R(2) and 4.1.8R.

Table 1
Information and disclosures included elsewhere in this report

Disclosure	Section of report	Page(s)
Names of Directors during the year	Board of Directors	89-93
Review of performance, financial position and likely future developments	Strategic Report	1-85
Dividends	Business and financial review and Note 17 to the consolidated financial statements	74-85 and 190-191
Principal risks	Principal risks section of the Strategic Report	64-71
Information on share capital relating to share classes, rights and obligations	Note 17 to the consolidated financial statements, and the Share capital section in Other Group information	190-191 and 231-233
Financial instruments and financial risk management	Notes 13 and 26 to the consolidated financial statements	179-182 and 203-205
Cash balances and borrowings	Notes 11 and 14 to the consolidated financial statement	178 and 182-185
Significant events after the reporting period	Note 27 to the consolidated financial statements	206
Information on employment of disabled persons	Forward on society – people	58-63
Workforce engagement	Our stakeholders and Forward on society – people	14-17 and 58-63
Business relationships with suppliers, customers and others	Our stakeholders, Forward on supply chain and Forward on society – people	14-17, 49-52 and 58-63
Greenhouse gas emissions and energy consumption	TCFD metrics and targets, Forward on climate and greenhouse gas methodology	37, 38-41 and 252
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Directors

Appointment and replacement of Directors

The Articles set out certain rules that govern the appointment and replacement of the Company's Directors. These are summarised as follows:

- A Director may be appointed by either an ordinary resolution of shareholders or by the Board.
- Olive Partners and ER may each appoint a specified number of Directors, up to a set maximum, in accordance with their respective equity holding proportions in the Company.
- Replacement INEDs must be recommended to the Board by the Nomination Committee.
- The Board shall consist of a majority of INEDs.
- Directors (other than the initial Chairman, CEO and INEDs) must retire at each AGM, and may, if eligible, offer themselves for re-election.
- The minimum number of Directors (disregarding alternate Directors) is two.

Read more about the re-election and election of Directors in the Corporate governance report on page 106

Directors' report continued

Powers of Directors

The Directors may exercise all powers of the Company, in accordance with, and subject to, the Company's Articles and any applicable legislation.

Read more about the roles and responsibilities of the Board and the main Committees of the Board in the Governance and Directors' Report on pages 87-144

Directors' indemnity arrangements

Qualifying third party indemnities were in place throughout 2022, and remain in place as at the date of this Integrated Report. Under these indemnities, the Company has agreed to indemnify the Directors of the Company, to the extent permitted by law, against losses and liabilities that may be incurred in executing the powers and duties of their office.

Amendment of Articles

The Articles may only be amended by a special resolution of the Company's shareholders in accordance with the Companies Act. Certain provisions of the Articles are entrenched and may only be amended or repealed with the prior consent of Olive Partners, ER or a majority of the INEDs (as applicable). In particular, the requirement under the Articles that the Board shall, at all times, contain a majority of INEDs may only be amended or repealed with the prior consent of a majority of the INEDs. The Articles are available at cocacolaep.com/about-us/governance.

Political donations

The Group made no political donations or contributions during 2022 (2021: nil). It is our policy not to make political donations or incur political expenditure. However, there may be uncertainty as to whether some normal business activities fall under the wide definitions of political donations, organisations and expenditure used in the Companies Act. We will therefore continue to seek shareholder approval to make political donations or incur expenditure as a precaution to avoid any inadvertent breach of the Companies Act.

Shares

Rights and obligations

The rights and obligations relating to the Company's Shares (in addition to those set out by law) are contained in the Articles.

Restrictions on transfer of securities

Olive Partners and TCCC are both subject to certain restrictions relating to the acquisition or disposal of Shares under the terms of the Shareholders' Agreement. Other than those set out in the Shareholders' Agreement, we are not aware of any agreements between shareholders that may result in a restriction of the transfer of securities or voting rights in the Company.

Employee share schemes

Shares issued under the Company's employee share schemes rank pari passu with the existing Shares of the Company. Voting rights attached to Shares held on trust on behalf of participants in the GB Employee Share Plan are exercised by the trustee as directed by the participants.

Significant shareholdings

In accordance with DTR 5.8, Table 2 below shows the significant interests in Shares of which the Company has been notified as at 31 December 2022, and the date of this report. The shareholders identified have the same voting rights as all other shareholders.

Share buyback programme

The Company announced a share buyback programme on 13 February 2020, under which it proposed to reduce share capital by up to €1 billion through the purchase and cancellation of its own Shares (the Buyback Programme). Share purchases for the Buyback Programme were undertaken pursuant to shareholder authority granted at the 2019 AGM.

In light of the significant and unprecedented macroeconomic uncertainty brought about by the outbreak of COVID-19, on 23 March 2020, the Company announced a suspension of the Buyback Programme. To maintain flexibility, the shareholder authority to purchase Shares was renewed at the 2022 AGM, under which the Company may purchase up to 45,677,101 Shares, representing 10% of the Company's issued share capital at 11 April 2022, reduced by the number of Shares purchased or agreed to be purchased between 11 April and 27 May 2022. No Shares were purchased under this authority in 2022.

We intend to seek to renew the authority to purchase Shares at the 2023 AGM.

For more details, see the Share buyback programme section in Other Group information on page 232

Table 2

Interests in Shares of which the Company has been notified

Shareholder	Percentage of total voting rights notified to the Company as at the year end[C]	Number of voting rights notified to the Company as at the year end	Percentage of total voting rights notified to the Company as at the date of this report[C]	Number of voting rights notified to the Company as at the date of this report
Cobega, S.A.[A]	36.1%	166,128,987	36.1%	166,128,987
TCCC[B]	19.01%	87,950,640	19.01%	87,950,640

(A) Held indirectly through its 56.03% owned subsidiary, Olive Partners.
(B) Held indirectly through European Refreshments Unlimited Company.
(C) Percentage interests disclosed calculated as at the date on which the relevant disclosure was made. These have not been updated to reflect changes in the total voting rights since notification and so may not represent the percentage interest as at 31 December 2022 or the date of this report.

Directors' report continued

Change of control

There are no agreements in place which provide compensation for loss of office or employment to any Director in the event of a takeover, except for certain provisions under the employee share plans, which may provide that certain outstanding awards may vest early in such an event.

The Board considers that a change of control might have an impact on the following significant agreements:

- Bottling agreements between the Group and TCCC
- A bank credit facility agreement, under which the maximum amount available at 31 December 2022 was €1.95 billion
- Note and guarantee agreement in relation to the A$250 million 4.20% Notes 2031
- Note and guarantee agreement in relation to the US$50 million 4.34% Notes 2023

Research and development

The Company invests in and undertakes certain activities for the development of innovative solutions, digital capabilities and advanced analytics to drive the simplification of applications and platforms, and to support and grow its business in both its manufacturing and non-manufacturing operations.

Independent auditor

Disclosure of information to auditors

Each of the Directors in office as at the date of this Integrated Report, confirms that:

- so far as he or she is aware, there is no relevant audit information (as defined by section 418 of the Companies Act) of which the Company's auditor is unaware; and
- he or she has taken all the reasonable steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor reappointment

EY has expressed willingness to continue in its capacity as independent auditor of the Company. The Directors plan to recommend a resolution to reappoint EY at the 2023 AGM.

Going concern

As part of the Directors' consideration of the appropriateness of adopting the going concern basis in preparing the Parent Company and consolidated financial statements, the Directors have taken into account the Group's overall financial position, exposure to the principal risks and future business forecasts. For the Parent Company, the Directors also considered the ability of its subsidiaries to remit earnings. At 31 December 2022, the Group had cash and cash equivalents of €1.4 billion and had access to a €1.95 billion undrawn committed credit facility, which is free of financial covenants and in place until at least January 2028. The Directors have also considered the stress testing performed as part of the assessment of viability set out on page 72.

On this basis, the Directors have a reasonable expectation that the Group and Parent Company has adequate resources to continue in operational existence for a period of 12 months from the date of signing these accounts.

This Directors' Report has been approved by the Board and signed on its behalf by

Clare Wardle, Company Secretary
17 March 2023
Coca-Cola Europacific Partners plc
09717350

Directors' responsibilities statement

Responsibility for preparing financial statements

The Directors are responsible for preparing the Integrated Report and the financial statements in accordance with applicable United Kingdom (UK) law and regulations.

UK company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared Group and Parent Company financial statements in accordance with UK-adopted International Accounting Standards. In preparing the consolidated Group financial statements the Directors have also elected to comply with International Financial Reporting Standards (IFRS) as adopted by the European Union, and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Under section 393 of the Companies Act, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Company and of the Group for that period.

In preparing the Company financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- Follow UK-adopted International Accounting Standards, International Financial Reporting Standards as adopted by the European Union, and International Financial Reporting Standards as issued by the IASB
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business

In preparing the Group financial statements the Directors are required to:

- Select suitable accounting policies and apply them consistently
- State whether UK-adopted International Accounting Standards, International Financial Reporting Standards as adopted by the European Union, and International Financial Reporting Standards as issued by the IASB have been followed, subject to any material departures disclosed and explained in the financial statements
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information
- Provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial performance
- Make an assessment of the Group's ability to continue as a going concern

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act. They are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' report, Annual report on remuneration, and Corporate governance report that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Legislation, regulation and practice in the UK governing the preparation and dissemination of financial statements may differ from legislation, regulation and practice in other jurisdictions.

Responsibility statement

The Directors, whose names and functions are set out on pages 89-93, confirm that to the best of their knowledge:

- The consolidated financial statements, prepared in accordance with UK-adopted International Accounting Standards, International Financial Reporting Standards as adopted by the European Union and International Financial Reporting Standards as issued by the IASB, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole.
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face.
- The Integrated Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

By order of the Board

Clare Wardle, Company Secretary
17 March 2023

Financial Statements

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc

Opinion

In our opinion:

- Coca-Cola Europacific Partners plc's Group financial statements and Parent company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022, and of the Group's and the Parent Company's profit for the year then ended;
- the Group and Parent Company financial statements have been properly prepared in accordance with U.K. adopted International Accounting Standards; International Financial Reporting Standards ('IFRS') as adopted by the European Union and International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Coca-Cola Europacific Partners plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022 which comprise:

Group	Parent Company
Consolidated statement of financial position as at 31 December 2022	Statement of financial position as at 31 December 2022
Consolidated income statement for the year then ended	Statement of comprehensive income for the year then ended
Consolidated statement of comprehensive income for the year then ended	Statement of cash flows for the year then ended
Consolidated statement of changes in equity for the year then ended	Statement of changes in equity for the year then ended
Consolidated statement of cash flows for the year then ended	Related notes 1 to 12 to the financial statements including a summary of significant accounting policies
Related notes 1 to 28 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in their preparation is applicable law, U.K. adopted International Accounting Standards, International Financial Reporting Standards ('IFRS') as adopted by the European Union and International Financial Reporting Standards as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and Parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting the audit.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Group's financial close process, we confirmed our understanding of management's going concern assessment process.
- We obtained management's going concern assessment, including the liquidity forecast for the going concern period which covers a year from the date of signing this audit opinion. The Group has modelled downside scenarios in their liquidity forecasts in order to incorporate unexpected changes to the forecasted liquidity of the Group. We understood the factors and assumptions included in each modelled downside scenario and assessed the plausibility of these in the context of our understanding of the Group and its principal risks, including climate-related risks.
- We tested the clerical accuracy of the model used to prepare the Group's going concern assessment.
- We considered the appropriateness of the methods used to calculate the cash forecasts and determined through inspection and testing of the methodology and calculations, that the methods utilised were appropriate.
- We confirmed the cash and cash equivalents balance of €1.4 billion as at 31 December 2022 and verified the cash flows from operating activities of €2.9 billion in the year. We obtained evidence of the Group's €1.95 billion revolving credit facility which is available through to January 2028, noting no associated financial covenants. The facility is undrawn as at 16 March 2023.
- We reviewed the debt maturity ladder and concluded that all debt repayments were included in the forecasts. We also checked that the Group is forecast to have sufficient liquidity to repay debt which matures in the 12 months after the going concern period.
- We considered whether the Group's forecasts used in the going concern assessment were consistent with other forecasts used by the Group in its accounting estimates, including those used in the annual impairment test.
- We assessed the ability of the subsidiaries of the Group to remit earnings to the Parent Company.
- We reviewed the Group and Parent Company going concern disclosures included in the Directors' Report on page 143 and Note 1 to the consolidated and Parent Company financial statements on pages 165 and 217 respectively, in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

In relation to the Group and Parent Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of 7 components and audit procedures on specific balances for a further 5 components. • The components where we performed full or specific audit procedures accounted for 101% of adjusted profit before tax (measure used to calculate materiality), 85% of revenue and 90% of total assets.
Key audit matters	• Accrued customer marketing costs. • Accounting for uncertain tax positions. • Carrying value of goodwill and indefinite lived intangibles.
Materiality	• Overall Group materiality of €87 million which represents 4.7% of the adjusted profit before tax.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

An overview of the scope of the Parent Company and Group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each reporting component within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the Group and effectiveness of Group wide controls, changes in the business environment, the potential impact of climate change and other factors such as recent Internal audit results when assessing the level of work to be performed at each company.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 67 reporting components of the Group (17 of which are trading components), we selected 34 components covering 25 corporate components and 10 trading components, which represent the principal business units within the Group.

Of the 34 components selected, we performed an audit of the complete financial information of seven components ("full scope components") which were selected based on their size or risk characteristics. For five components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile. We have also performed specified procedures over 22 locations, primarily in relation to the testing of cash and cash equivalents.

The table below illustrates the coverage obtained from the work performed by our audit teams.

	Number		% Group adjusted profit before tax		% Group revenue		% Total assets		
	2022	2021	2022	2021	2022	2021	2022	2021	See Notes
Full scope	7	7	97%	101%	75%	76%	84%	89%	A, B
Specific scope	5	5	4%	(4)%	10%	11%	6%	4%	A, B, C, D
Coverage	**12**	**12**	**101%**	**97%**	**85%**	**87%**	**90%**	**93%**	
Specified procedures	22	10	3%	8%	3%	6%	3%	3%	B
Remaining components	33	41	(4)%	(5)%	12%	7%	7%	4%	E
Total reporting components	**67**	**63**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	

Notes
(A) The Group audit risk in relation to tax was subject to audit procedures performed by both the component teams and the Group team.
(B) The Group audit risk in relation to accrued customer marketing costs was subject to audit procedures performed by the Group team and at six full scope components, three specific scope components and specified procedures at one component.
(C) The specific scope components relate to four trading components.
(D) The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group. Significant accounts that were not subject to the specific scope audit procedures were subjected to testing of Group wide controls and analytical review.
(E) Of the remaining 33 components that together represent (1)% of the Group's adjusted profit before tax, none are individually greater than 3% of the Group's adjusted profit before tax. These components primarily record administrative expenses across the Group. For the remaining components in this category, we performed other procedures, including testing of Group wide controls, analytical review procedures and testing of consolidation journals including intercompany eliminations to respond to any potential risks of material misstatement to the Group financial statements.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

Changes from the prior year

We have not changed the full scope or specific scope components from the prior year as these components remain the most significant to the Group, by size and risk, and the coverage remains consistent with the prior year. We performed specified procedures for a larger number of components, primarily relating to cash and cash equivalents across the Group.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. Of the seven full scope components, audit procedures were performed on six of these directly by the component audit teams. For the 27 specific scope and specified procedures components, five represented work performed directly by component auditors. Where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

During the current audit cycle, we completed a combination of physical visits to component teams and alternative oversight procedures, including meeting our European full and specific scope components at our global planning event held in Bulgaria, which is the shared service centre in the Group. We also attended video meetings and live reviewed our local audit teams' working papers. Our physical visits included the Senior Statutory Auditor visiting Australia, Spain, France and Great Britain.

Our site visits (both physical and virtual) involved: meeting with our component teams to discuss and direct their audit approach; reviewing relevant working papers and understanding the significant audit findings in response to the risk areas including accrued customer marketing costs and taxation; holding meetings with local management; and obtaining updates on local regulatory matters including tax, pensions, restructuring and legal. The Group audit team interacted regularly with the component teams where appropriate during various stages of the audit, reviewed relevant working papers and were responsible for the scope and direction of the audit process. This, together with the additional procedures performed at Group level, gave us appropriate evidence for our opinion on the Group financial statements.

Climate change

Stakeholders are increasingly interested in how climate change will impact companies. The Group has determined that the most significant future impacts from climate change on its operations will be from the increased severity of extreme weather events which could cause disruption to facilities and logistics routes, increasing water stress or water scarcity, changes to weather and precipitation patterns which could cause disruption to the supply of ingredients as well future regulations (e.g. carbon tax related to greenhouse gas emissions). These are explained on pages 28-37 in the Task Force for Climate-related Financial Disclosures and on pages 64-71 in the principal risks. They have also explained their climate commitments on page 38. All of these disclosures form part of the "Other information," rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "Other information".

In planning and performing our audit, we assessed the potential impacts of climate change on the Group's business and any consequential material impact on its financial statements.

The Group has explained in Note 1 (Impact of climate change) its articulation of how climate change has been reflected in the financial statements including how this aligns with their commitment to achieve Net Zero emissions by 2040. In Note 7 (Intangible assets and goodwill) and Note 8 (Property, plant and equipment) to the financial statements, narrative explanation including further details over the Group's considerations has been provided.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management's assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 33-36, and the significant judgements and estimates disclosed in Note 3 and whether these have been appropriately reflected in asset values and useful economic lives and cash flow projections used in assessing the recoverable amount of the Group's CGUs and also in the going concern and viability assessment. As part of this evaluation, we performed our own risk assessment, supported by our climate change internal specialists, to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk

Accrued customer marketing costs

Refer to the Audit Committee Report (page 114); Accounting policies (pages 166 and 167).

The Group participates in various programmes and arrangements with customers referred to as promotional programmes, which are recorded as deductions from revenue. The off-invoice discounts activity totalled €5.2 billion for the year ended 31 December 2022 (2021: €4.1 billion), with €1.3 billion of accrued customer marketing costs as of 31 December 2022 (2021: €1.2 billion).

Auditing the completeness and measurement of the accrued customer marketing costs is complex and judgemental, particularly in relation to promotional programmes where there is estimation uncertainty related to forecasted sales volumes, expected customer performance or amounts ultimately claimed by customers.

The types of promotional programmes are more fully described in Note 3 to the consolidated financial statements with details about accrued customer marketing costs disclosed in Note 15 to the consolidated financial statements.

Our response to the risk

We performed audit procedures over this matter at eight reporting components which covered 91% of the Group balance.

We obtained an understanding of the Group's revenue recognition policies and processes and how they are applied, and for full and specific scope reporting components evaluated the design and tested the operating effectiveness of controls, including IT controls, that address the risks of material misstatement relating to the completeness and measurement of the promotional programmes. For example, we tested controls over management's determination of the total estimated sales volumes used in the assessment of the accrued customer marketing costs.

To evaluate the specific estimations that are inherent in the calculation of the accrued customer marketing costs and assess the completeness of the accrual:

- We evaluated management's methodology to estimate the year end accrued customer marketing costs, in particular the use of historical trends.
- We tested the completeness and accuracy of the underlying data by agreeing key terms of the promotional programmes to the executed sales agreements on a sample basis. We also compared accrued customer marketing costs to subsequent cash settlements on a sample basis.
- We performed analytical procedures on the ratio of accrued customer marketing costs to relevant data such as gross revenue to identify any potential outliers and tested material unusual or unexpected journal entries.
- We analysed the historical reversals and ageing of the accrued customer marketing costs, to identify potential management bias in the estimate of the year end accrual and considered any changes in the business environment that would warrant changes in the methodology.
- We also evaluated the disclosures provided in the consolidated financial statements related to these promotional programmes.

The audit procedures performed to address this risk were performed by both the component teams and the Primary team.

Key observations communicated to the Audit Committee

We concluded that accrued customer marketing costs in the consolidated statement of financial position represent a reasonable estimate of the associated liability and the related disclosures included in the financial statements are appropriate.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

Risk

Accounting for uncertain tax positions

Refer to the Audit Committee Report (page 114); Accounting policies (pages 168 and 199).

At 31 December 2022, the Group recorded provisions for uncertain tax positions of which €122 million (31 December 2021: €138 million) are included in current tax liabilities and the remainder in non-current tax liabilities.

The Group is subject to income tax in numerous jurisdictions and is routinely under audit by taxing authorities in the ordinary course of business as described in Note 21 and Note 23 of the consolidated financial statements.

Management applies judgement in assessing tax exposures in each jurisdiction, which requires interpretation of local tax laws and specific facts and circumstances.

Auditing the uncertain tax positions is judgemental, because of the inherent uncertainty related to the tax exposures, which may result in materially different outcomes. Specifically, each tax position involves the evaluation of unique and evolving facts and circumstances.

Our response to the risk

We performed audit procedures over this matter at four full scope components and one specific scope component.

We obtained an understanding, evaluated the design and tested the operating effectiveness of controls, including IT controls, in place over the Group's process to evaluate and account for uncertain tax positions. For example, we tested the Group's controls around evaluation of the facts and circumstances supporting the conclusions on the Group's tax positions.

We evaluated the tax positions taken by management in each significant jurisdiction in the context of local tax laws, considering correspondence with tax authorities, the status of any tax audits and third party advice obtained by the Group. Our work involved tax professionals with local knowledge to assess the tax positions taken in each significant jurisdiction in the context of local tax law and significant tax assessments.

In evaluating management's tax provisions, we developed our independent range of tax exposures by jurisdiction, which we compared to the Group's provisions. We also considered outcomes for similar fact patterns in different jurisdictions with equivalent tax rules and regulations.

We also obtained management's calculation and agreed inputs to source documentation where applicable.

We evaluated the adequacy of the related disclosures provided in the Group financial statements.

The audit procedures performed to address this risk were performed by both the component teams and the Group team.

Key observations communicated to the Audit Committee

We have evaluated the Group's tax provisions and challenged the judgements applied. We concluded that the amounts provided for uncertain tax positions are within an acceptable range considering the latest developments in each jurisdiction and the Group's overall tax exposures and that the related disclosures are appropriate.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

In addition to the key audit matters identified as part of our audit planning, the following area affected the allocation of resources and the direction of our audit efforts and for which our audit response was as follows:

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Carrying value of goodwill and indefinite lived intangibles Refer to the Audit Committee report (page 114); Accounting policies (pages 167 and 173). At 31 December 2022, the carrying value of the goodwill and indefinite lived intangibles was €16,506 million (2021: €16,653 million). As discussed in Note 7 of the consolidated financial statements, goodwill and indefinite lived intangibles are tested for impairment at the CGU level at least annually, in the fourth quarter, or whenever there is an indication of impairment. Although we did not identify a risk of material misstatement during our planning phase due to the improved financial performance of all CGUs when compared to the prior year, we took into consideration the materiality of the goodwill and indefinite lived intangibles to the total Group assets and the recent acquisition of the API business to determine our audit response. Auditing management's impairment assessment required significant allocation of resources and direction due to the estimation of the key assumptions used to determine the recoverable amount, in particular discount rate, revenue growth rates and operating profit margin. We identified that the Pacific CGU was most sensitive to a change in assumptions. The Iberia CGU is less sensitive to changes in assumptions compared to the prior year due to the strong recovery of the away from home channel.	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls, including IT controls, in place within the impairment review process. This included evaluating controls over the Group's budgetary and forecasting process used to develop the estimated future earnings and cash flows used in estimating the value in use. We also tested controls over management's data included in the value in use model and their determination of the significant assumptions such as estimation of discount rate, revenue growth rates and operating profit margin. We performed additional procedures to assess and corroborate the key inputs to the valuation, including: • We reviewed the methodology applied by management in performing the impairment test, tested the completeness and accuracy of the data included in the impairment model, reconciled the carrying value to the financial records and agreed the prospective financial information to Board approved business plans. We also involved our internal valuation specialists to assist with the evaluation of the discount rate and long-term growth rates used in the value in use model, by developing an independent range. • We compared the overall revenue growth included in the five year cash flow period to external sources of information and to prior year growth rates achieved to search for contradictory evidence to management's growth assumptions. • We assessed the historical accuracy of management's estimates and forecasts against actual results for indications of management bias and compared the performance since the testing date with the forecasts used in the value in use model. • We reperformed management's sensitivity analysis, determining the breakeven point by evaluating changes to key assumptions. We evaluated the likelihood of occurrence of those scenarios, based on historical performance and external sources of information. We assessed the adequacy of the related disclosures provided in the consolidated financial statements on the impact of reasonably possible changes in assumptions. The audit procedures to address this risk were mainly performed by the Primary audit team.	We consider management's estimate of the recoverable value of the Group's CGUs to be within an acceptable range and agree with management's conclusion that there is no impairment at 31 December 2022. We reviewed the related disclosures, including the additional sensitivity disclosure included in relation to Pacific, and concluded these to be appropriate.

In the prior year, our auditor's report included a key audit matter in relation to the valuation of the distribution rights and property, plant and equipment acquired from Coca-Cola Amatil Limited. As the Acquisition was completed in 2021 with no material adjustments within the measurement period, we concluded this is no longer applicable in 2022.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be €87 million (2021: €67 million), which is 4.7% (2021: 4.7%) of adjusted profit before tax. We believe that adjusted profit before tax provides us with the most relevant profit basis as the non-recurring items were not related to the ongoing trading of the Group. The increase in Group materiality since 2021 reflects the increase in profit before taxation, driven by the inclusion of the full year results of Coca-Cola Amatil Limited and continued recovery from COVID-19 in 2022, particularly in the away from home channel.

We determined materiality for the Parent Company to be €142.0 million (2021: €144.9 million), which is 1% (2021: 1%) of shareholder's equity.

During the course of our audit, we reassessed initial materiality and the actual adjusted profit before tax and hence the recalculated materiality was higher than the Group's initial estimates used at planning. However, due to the status of our procedures we did not change our materiality assessment to reflect this.

Adjusted profit before tax measure

Starting basis	• Profit before tax - €1,957 million
Adjustments	• Coal Royalty Income - €96 million
Adjusted basis	• €1,861 million (adjusted profit before tax)
Materiality	• Materiality maintained at planning level of €87 million versus €93 million on adjusted final reported profit before tax

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2021: 75%) of our planning materiality, namely €65 million (2021: €50 million). We reviewed any misstatements identified in our 2021 Group audit to assess their potential recurrence in 2022 (which would affect the percentage of Group performance materiality we utilised to determine the extent of our audit procedures). Based on the nature of the adjustments identified last year, we concluded the likelihood of material misstatements would remain low in the current year and, hence, we set performance materiality at 75%.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was €13.1 million to €32.7 million (2021: €10.1 million to €25.2 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of €4.3 million (2021: €3.3 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

Other information

The other information comprises the information included in the annual report including the Strategic Report set out on pages 1 to 85, Governance and Directors' report set out on pages 86 to 144 and Other Group Information set out on pages 222 to 258, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate governance statement

We have reviewed the Directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group and Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 143;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why the period is appropriate set out on page 72;
- Directors' statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on page 143;
- Directors' statement on fair, balanced and understandable set out on page 144;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 64-71;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on pages 71 and 116; and;
- The section describing the work of the Audit Committee set out on pages 111-116.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 144, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are:
  - those that relate to the reporting framework: U.K. adopted International Accounting Standards, International Financial Reporting Standards (IFRS) as adopted by the European Union, International Financial Reporting Standards as issued by the IASB, the UK Companies Act 2006 and the UK Corporate Governance Code.
  - those that relate to the accrual or recognition of expenses for taxation such as various country specific tax regulations in which the Group has operations.
  - those that relate to the accrual or recognition of expenses for pension costs, as well as the treatment of its employees, such as labour agreements in countries where the Group operates.
  - In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements, primarily being The US Securities Act and Exchange Act of 1934 and the Listing Rules of the UK Listing Authority.

  We understood how Coca-Cola Europacific Partners plc is complying with those frameworks by making enquiries of management, internal audit, those responsible for legal and compliance procedures and the company secretary. We corroborated our enquiries through our review of board minutes and papers provided to the Audit Committee and attendance at all meetings of the Audit Committee, as well as consideration of the results of our audit procedures across the Group.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. We did this by:
  - Meeting with management from various parts of the business to understand where they considered there to be susceptibility to fraud;
  - Assessing whistleblowing incidences for those with a potential financial reporting impact;
  - Evaluating the historical performance of CCEP against similar companies;
  - Understanding the Group's annual bonus scheme and long-term incentive plan performance targets and their propensity to influence on efforts made by management to manage revenue and earnings;
  - Understanding the related party transactions and significant transactions occurring with related parties in the year;
  - Assessing the key judgements and estimates and significant transactions occurring in year; and
  - Considering the controls framework, including IT General controls, that the Group has established to prevent, deter and detect fraud; and how senior management monitors those programmes and control.

  Where the risk was considered to be higher, we performed audit procedures to address identified risks of material misstatement. These procedures included those referred to in the "Accrued customer marketing costs" key audit matters section above. In addition, we used data analytics at our full and specific scope components to correlate revenue with trade receivables and cash received, as well as promotional programmes expense with promotional programmes accruals and settlements. We also performed journal entry testing, focusing on manual and consolidation journals, and inspected documentation for any material unusual or unexpected journals.

  Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations, including specific instructions to full and specific scope component audit teams. At a Group level, our procedures involved: enquiries of Group management and those charged with governance, legal counsel and internal audit and also testing over manual consolidation journals and journals indicating large or unusual transactions based on our understanding of the business. At a component level, our full and specific scope component audit team's procedures included enquiries of component management; journal entry testing; and focused testing over areas we considered more susceptible to management override, including as referred to in the "Accrued customer marketing costs" key audit matters section above. Any instances of non-compliance with laws and regulations, including in relation to fraud, were communicated by/to components and considered in our audit approach, if applicable. In addition, we completed procedures to conclude on the compliance of the disclosures in the annual report and accounts with all applicable requirements.

  A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

This page does not form part of the Coca-Cola Europacific Partners plc Annual Report on Form 20-F for the year ended 31 December 2022 as filed with the SEC.

Independent auditor's report to the members of Coca-Cola Europacific Partners plc continued

Other matters we are required to address

- Following the recommendation from the Audit Committee we were appointed by the Company on 22 June 2016 to audit the financial statements for the year ending 31 December 2016 and subsequent financial periods.

  The period of total uninterrupted engagement including previous renewals and reappointments is seven years, covering the years ending 31 December 2016 to 31 December 2022.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah Kokot (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
17 March 2023

This page does not form part of the Coca-Cola Europacific Partners plc Annual Report on Form 20-F for the year ended 31 December 2022 as filed with the SEC.

Report of independent registered public accounting firm

To the Shareholders and the Board of Directors of Coca-Cola Europacific Partners plc

Opinion on the Financial Statements

We have audited the accompanying consolidated statements of financial position of Coca-Cola Europacific Partners plc (the "Group") as of 31 December 2022 and 2021, the related consolidated statements of income, comprehensive income, statement of changes in equity and cash flows for each of the three years in the period ended 31 December 2022 and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group at 31 December 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended 31 December 2022, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Group's internal control over financial reporting as of 31 December 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated 17 March 2023 expressed an unqualified opinion thereon.

Basis for opinion

These financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on the Group's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the Audit Committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgements. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Report of independent registered public accounting firm continued

	Description of the matter	How we addressed the matter in our audit
Accrued customer marketing costs	The Group participates in various programmes and arrangements with customers referred to as promotional programmes, which are recorded as deductions from revenue. The off-invoice discounts activity totalled €5.2 billion for the year ended 31 December 2022, with €1.3 billion of accrued customer marketing costs as of 31 December 2022. Auditing the completeness and measurement of the accrued customer marketing costs is complex and judgemental, particularly in relation to promotional programmes where there is estimation uncertainty related to the forecasted sales volumes, expected customer performance or amounts ultimately claimed by customers. The types of promotional programmes are more fully described in Note 3 to the consolidated financial statements with details about accrued customer marketing costs disclosed in Note 15 to the consolidated financial statements.	We obtained an understanding of the Group's revenue recognition policies and processes and how they are applied, evaluated the design and tested the operating effectiveness of controls that address the risks of material misstatement relating to the completeness and measurement of the promotional programmes. For example, we tested controls over management's determination of the total estimated sales volumes used in the assessment of the accrued customer marketing costs. To evaluate the specific estimations that are inherent in the calculation of the accrued customer marketing costs and the completeness of the accrual, our audit procedures included, among others, testing management's methodology to estimate the year end accrued customer marketing costs, in particular the use of historical trends. We tested the completeness and accuracy of the underlying data by agreeing key terms of the promotional programmes to the executed sales agreements on a sample basis. We compared accrued customer marketing costs to subsequent cash settlements on a sample basis. We performed analytical procedures on the ratio of accrued customer marketing costs to relevant data such as gross revenue to identify any potential outliers and tested material unusual or unexpected journal entries. We also analysed the historical reversals and ageing of the accrued customer marketing costs, to identify potential management bias in the estimate of the year end accrual and considered any changes in the business environment that would warrant changes in the methodology.
Accounting for uncertain tax positions	At 31 December 2022, the Group recorded provisions for uncertain tax positions of which €122 million are included in current tax liabilities and the remainder in non-current tax liabilities. The Group is subject to income tax in numerous jurisdictions and is routinely under audit by taxing authorities in the ordinary course of business as described in Note 21 and Note 23 of the consolidated financial statements. Management applies judgement in assessing tax exposures in each jurisdiction, which requires interpretation of local tax laws and specific facts and circumstances. Auditing the uncertain tax positions is judgemental, because of the inherent uncertainty related to the tax exposures, which may result in materially different outcomes. Specifically, each tax position involves the evaluation of unique and evolving facts and circumstances.	We obtained an understanding, evaluated the design and tested the operating effectiveness of controls in place over the Group's process to evaluate and account for uncertain tax positions. For example, we tested the Group's controls around evaluation of the facts and circumstances supporting the conclusions on the Group's tax positions. We evaluated the tax positions taken by management in each significant jurisdiction in the context of local tax laws, considering correspondence with tax authorities, the status of any tax audits and third party advice obtained by the Group. Our work involved tax professionals with local knowledge to assess the tax positions taken in each significant jurisdiction in the context of local tax law and significant tax assessments. In evaluating management's tax provisions, we developed our independent range of tax exposures by jurisdiction, which we compared to the Group's provisions. We also considered outcomes for similar fact patterns in different jurisdictions with equivalent tax rules and regulations. We also obtained management's calculation and agreed inputs to source documentation where applicable.

/s/ Ernst & Young LLP
We have served as the Group's auditor since 2016.
London, United Kingdom.
17 March 2023

Report of independent registered public accounting firm continued

To the Shareholders and the Board of Directors of Coca-Cola Europacific Partners plc

Opinion on Internal Control Over Financial Reporting

We have audited Coca-Cola Europacific Partners plc's internal control over financial reporting as of 31 December 2022, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Coca-Cola Europacific Partners plc (the "Group") maintained, in all material respects, effective internal control over financial reporting as of 31 December 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated statement of financial position of the Group as of 31 December 2022 and 2021, the related consolidated statements of income, comprehensive income, statement of changes in equity and cash flows for each of the three years in the period ended 31 December 2022 and the related notes and our report dated 17 March 2023 expressed an unqualified opinion thereon.

Basis for opinion

The Group's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's report on internal control over financial reporting. Our responsibility is to express an opinion on the Group's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Group in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
London, United Kingdom
17 March 2023

Consolidated income statement

		Year ended 31 December		
		2022	2021	2020
	Note	€ million	€ million	€ million
Revenue	5	17,320	13,763	10,606
Cost of sales		(11,096)	(8,677)	(6,871)
Gross profit		**6,224**	**5,086**	**3,735**
Selling and distribution expenses	18	(3,984)	(2,496)	(1,939)
Administrative expenses	18	(1,250)	(1,074)	(983)
Other income	23	96	—	—
Operating profit		**2,086**	**1,516**	**813**
Finance income	19	67	43	33
Finance costs	19	(181)	(172)	(144)
Total finance costs, net		(114)	(129)	(111)
Non-operating items		(15)	(5)	(7)
Profit before taxes		**1,957**	**1,382**	**695**
Taxes	21	(436)	(394)	(197)
Profit after taxes		**1,521**	**988**	**498**
Profit attributable to shareholders		1,508	982	498
Profit attributable to non-controlling interests		13	6	—
Profit after taxes		**1,521**	**988**	**498**
Basic earnings per share (€)	6	**3.30**	**2.15**	**1.09**
Diluted earnings per share (€)	6	**3.29**	**2.15**	**1.09**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income

	Note	Year ended 31 December 2022 € million	2021 € million	2020 € million
Profit after taxes		**1,521**	**988**	**498**
Components of other comprehensive income/(loss):				
Items that may be subsequently reclassified to the income statement:				
Foreign currency translations:				
Pretax activity, net		(205)	260	(125)
Tax effect		—	—	—
Foreign currency translation, net of tax		(205)	260	(125)
Cash flow hedges:				
Pretax activity, net		(64)	277	33
Tax effect	21	17	(63)	4
Cash flow hedges, net of tax	13	(47)	214	37
Other reserves:				
Pretax activity, net		(9)	7	—
Tax effect	21	3	(1)	—
Other reserves, net of tax		(6)	6	—
Items that may be subsequently reclassified to the income statement		**(258)**	**480**	**(88)**
Items that will not be subsequently reclassified to the income statement:				
Pension plan remeasurements:				
Pretax activity, net	16	(45)	301	(71)
Tax effect	21	11	(63)	16
Pension plan remeasurements, net of tax		(34)	238	(55)
Items that will not be subsequently reclassified to the income statement		**(34)**	**238**	**(55)**
Other comprehensive income/(loss) for the period, net of tax		**(292)**	**718**	**(143)**
Comprehensive income for the period		**1,229**	**1,706**	**355**
Comprehensive income attributable to shareholders		1,202	1,684	355
Comprehensive income attributable to non-controlling interests		27	22	—
Comprehensive income for the period		**1,229**	**1,706**	**355**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of financial position

	Note	Year ended 31 December 2022 € million	2021 € million
ASSETS			
Non-current:			
Intangible assets	7	12,505	12,639
Goodwill	7	4,630	4,623
Property, plant and equipment	8	5,201	5,248
Non-current derivative assets	13	19	226
Deferred tax assets	21	21	60
Other non-current assets	25	252	534
Total non-current assets		**22,770**	**23,330**
Current:			
Current derivative assets	13	257	150
Current tax assets		85	46
Inventories	9	1,380	1,157
Amounts receivable from related parties	20	139	143
Trade accounts receivable	10	2,466	2,305
Other current assets	24	479	271
Assets held for sale	24	94	223
Short-term investments	11	256	58
Cash and cash equivalents	11	1,387	1,407
Total current assets		**6,543**	**5,760**
Total assets		**29,313**	**29,090**
LIABILITIES			
Non-current:			
Borrowings, less current portion	14	10,571	11,790
Employee benefit liabilities	16	108	138
Non-current provisions	23	55	48
Non-current derivative liabilities	13	137	47
Deferred tax liabilities	21	3,513	3,617
Non-current tax liabilities		82	110
Other non-current liabilities		37	37
Total non-current liabilities		**14,553**	**15,787**

	Note	Year ended 31 December 2022 € million	2021 € million
Current:			
Current portion of borrowings	14	1,336	1,350
Current portion of employee benefit liabilities	16	8	10
Current provisions	23	115	86
Current derivative liabilities	13	76	19
Current tax liabilities		241	181
Amounts payable to related parties	20	185	210
Trade and other payables	15	5,052	4,237
Total current liabilities		**7,313**	**6,093**
Total liabilities		**21,866**	**21,880**
EQUITY			
Share capital	17	5	5
Share premium	17	234	220
Merger reserves	17	287	287
Other reserves	17	(507)	(156)
Retained earnings		7,428	6,677
Equity attributable to shareholders		**7,447**	**7,033**
Non-controlling interest	17		177
Total equity		**7,447**	**7,210**
Total equity and liabilities		**29,313**	**29,090**

The accompanying notes are an integral part of these consolidated financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 17 March 2023. They were signed on its behalf by:

Damian Gammell,
Chief Executive Officer
17 March 2023

Consolidated statement of cash flows

	Note	Year ended 31 December 2022 € million	2021 € million	2020 € million
Cash flows from operating activities:				
Profit before taxes		1,957	1,382	695
Adjustments to reconcile profit before tax to net cash flows from operating activities:				
Depreciation	8	715	693	665
Amortisation of intangible assets	7	107	89	62
Share-based payment expense	22	33	16	14
Finance costs, net	19	114	129	111
Income taxes paid		(415)	(306)	(273)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(267)	(242)	208
(Increase)/decrease in inventories		(244)	(1)	34
Increase in trade and other payables		885	507	53
(Decrease)/increase in net payable receivable from related parties		(15)	8	(112)
Increase/(decrease) in provisions		37	(116)	43
Change in other operating assets and liabilities[A]		46	(42)	(10)
Net cash flows from operating activities		**2,932**	**2,117**	**1,490**
Cash flows from investing activities:				
Acquisition of bottling operations, net of cash acquired	4	—	(5,401)	—
Purchases of property, plant and equipment		(500)	(349)	(348)
Purchases of capitalised software		(103)	(97)	(60)
Proceeds from sales of property, plant and equipment		1	25	49
Proceeds from sales of intangible assets	20	143	—	—
Net proceeds/(payments) of short-term investments		(207)	198	—
Investments in equity instruments		(7)	(4)	(11)
Proceeds from sale of equity instruments		3	25	—
Other investing activity, net			(2)	—
Net cash flows used in investing activities		**(645)**	**(5,605)**	**(370)**

	Note	Year ended 31 December 2022 € million	2021 € million	2020 € million
Cash flows from financing activities:				
Proceeds from borrowings, net	14		4,877	1,598
Changes in short-term borrowings	14	(285)	276	(221)
Repayments on third party borrowings	14	(936)	(950)	(569)
Payments of principal on lease obligations	14	(153)	(139)	(116)
Interest paid, net		(100)	(97)	(91)
Dividends paid	17	(763)	(638)	(386)
Purchase of own shares under share buyback programme	17	—	—	(129)
Exercise of employee share options		13	28	14
Transactions with non-controlling interests		—	(73)	—
Other financing activities, net		(20)	5	—
Net cash flows (used in)/from financing activities		**(2,276)**	**3,289**	**100**
Net change in cash and cash equivalents		**11**	**(199)**	**1,220**
Net effect of currency exchange rate changes on cash and cash equivalents		(31)	83	(13)
Cash and cash equivalents at beginning of period	11	**1,407**	**1,523**	**316**
Cash and cash equivalents at end of period	11	**1,387**	**1,407**	**1,523**

(A) Amounts include €252 million in cash proceeds received in December 2022 from the regional tax authorities in Bizkaia (Basque region) in connection with an ongoing dispute regarding historical VAT amounts related to the period 2013-2016. Refer to Note 25 for additional information.

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated statement of changes in equity

	Note	Share capital € million	Share premium € million	Merger reserves € million	Other reserves € million	Retained earnings € million	Total € million	Non-controlling interest € million	Total equity € million
As at 1 January 2020		**5**	**178**	**287**	**(449)**	**6,135**	**6,156**	**—**	**6,156**
Profit after taxes		—	—	—	—	498	498	—	498
Other comprehensive loss		—	—	—	(88)	(55)	(143)	—	(143)
Total comprehensive income/(loss)		—	—	—	(88)	443	355	—	355
Issue of shares during the year	17	—	14	—	—	—	14	—	14
Equity-settled share-based payment expense	22	—	—	—	—	14	14	—	14
Share-based payment tax effects	21	—	—	—	—	2	2	—	2
Dividends	17	—	—	—	—	(387)	(387)	—	(387)
Own shares purchased under share buyback programme		—	—	—	—	(129)	(129)	—	(129)
As at 31 December 2020		**5**	**192**	**287**	**(537)**	**6,078**	**6,025**	**—**	**6,025**
Profit after taxes		—	—	—	—	982	982	6	988
Other comprehensive income		—	—	—	465	237	702	16	718
Total comprehensive income		—	—	—	465	1,219	1,684	22	1,706
Non-controlling interests recognised relating to business combination	17	—	—	—	—	—	—	228	228
Transactions with non-controlling interests	17	—	—	—	—	—	—	(73)	(73)
Cash flow hedge gains transferred to goodwill relating to business combination	13	—	—	—	(84)	—	(84)	—	(84)
Issue of shares during the year	17	—	28	—	—	—	28	—	28
Equity-settled share-based payment expense	22	—	—	—	—	16	16	—	16
Share-based payment tax effects	21	—	—	—	—	3	3	—	3
Dividends	17	—	—	—	—	(639)	(639)	—	(639)
As at 31 December 2021		**5**	**220**	**287**	**(156)**	**6,677**	**7,033**	**177**	**7,210**
Profit after taxes		—	—	—	—	1,508	1,508	13	1,521
Other comprehensive income/(loss)		—	—	—	(272)	(34)	(306)	14	(292)
Total comprehensive income/(loss)					(272)	1,474	1,202	27	1,229
Acquisition of non-controlling interests	17	—	—	—	(79)	—	(79)	(204)	(283)
Issue of shares during the year	17		14				14		14
Equity-settled share-based payment expense	22	—	—	—	—	33	33	—	33
Share-based payment tax effects	21					10	10		10
Dividends	17					(766)	(766)		(766)
As at 31 December 2022		**5**	**234**	**287**	**(507)**	**7,428**	**7,447**	**—**	**7,447**

The accompanying notes are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

Note 1
General information and basis of preparation

Coca-Cola Europacific Partners plc (the Company) and its subsidiaries (together CCEP, or the Group) are a leading consumer goods group in Western Europe and the Asia Pacific region, making, selling and distributing an extensive range of primarily non-alcoholic ready to drink beverages.

The Company has ordinary shares with a nominal value of €0.01 per share (Shares). CCEP is a public company limited by shares, incorporated under the laws of England and Wales with the registered number in England of 9717350. The Group's Shares are listed and traded on Euronext Amsterdam, the NASDAQ Global Select Market, London Stock Exchange and on the Spanish Stock Exchanges. The address of the Company's registered office is Pemberton House, Bakers Road, Uxbridge, UB8 1EZ, United Kingdom.

The consolidated financial statements of the Group for the year ended 31 December 2022 were approved and signed by Damian Gammell, Chief Executive Officer on 17 March 2023 having been duly authorised to do so by the Board of Directors.

Impact of climate change

As part of the preparation of these consolidated financial statements, we have considered the impact of climate change risks on the current valuation of the Group's assets and liabilities, particularly in the context of the risks and scenarios identified in the Task Force on Climate-related Financial Disclosures (TCFD) on pages 28-37 of the Strategic Report. There has been no material impact on the financial reporting judgements and estimates arising from our considerations and as a result, the valuation of the Group's assets and liabilities as of 31 December 2022 have not been affected. Our considerations were specifically focused on the impact of climate change risks on the projected cash flows used in the impairment assessment of our indefinite lived intangible assets and goodwill (refer to Note 7) as well as the carrying value and useful economic lives of property, plant and equipment (refer to Note 8). As the pace and effectiveness of a global transition to a low-carbon economy evolve, including the development of government policies aiming to address the risks arising from climate change, we will continue to monitor and assess the relevant implications on the valuation of the Group's assets and liabilities that could arise in future years.

Basis of preparation

These consolidated financial statements of the Group reflect the following:

- They have been prepared in accordance with UK adopted International Accounting Standards, International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).
- They have been prepared under the historical cost convention, except for certain items measured at fair value. Those accounting policies have been applied consistently in all periods, except for the adoption of new standards and amendments as of 1 January 2022, as described below under accounting policies.
- They are presented in euros, which is also the Parent Company's functional currency, and all values are rounded to the nearest euro million except where otherwise indicated.
- They have been prepared on a going concern basis (refer to the "Going concern" paragraph on page 143).

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries. All subsidiaries have accounting years ended 31 December and apply consistent accounting policies for the purpose of the consolidated financial statements.

Subsidiary undertakings are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through the Group's power to direct the activities of the entity. All intercompany accounts and transactions are eliminated on consolidation.

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% to 50% of voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

The Group treats transactions with non-controlling interests that do not result in a loss of control as equity transactions.

When the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and any other components of equity, while any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

The financial results presented herein for the period from 1 January 2021 through to the acquisition of CCL (the Acquisition) effective 10 May 2021 refer to Coca-Cola European Partners plc (Legacy CCEP) and its consolidated subsidiaries. The periods from the Acquisition to 31 December 2021 and for the year ended 31 December 2022 refer to the combined financial results of CCEP.

Foreign currency

The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which the subsidiary operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each subsidiary are expressed in euros.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are remeasured to the functional currency of the entity at the rate of exchange in effect at the statement of financial position date with the resulting gain or loss recorded in the consolidated income statement.

The consolidated income statement includes non-operating items which are primarily made up of remeasurement gains and losses related to currency exchange rate fluctuations on financing transactions denominated in a currency other than the subsidiary's functional currency. Non-operating items are shown on a net basis and reflect the impact of any derivative instruments utilised to hedge the foreign currency movements of the underlying financing transactions.

Notes to the consolidated financial statements continued

The assets and liabilities of the Group's foreign operations are translated from local currencies to the euro reporting currency at currency exchange rates in effect at the end of each reporting period. Revenues and expenses are translated at average monthly currency exchange rates, with average rates being a reasonable approximation of the rates prevailing on the transaction dates. Gains and losses from translation are included in other comprehensive income. On disposal of a foreign operation, accumulated exchange differences are recognised as a component of the gain or loss on disposal.

The principal exchange rates used for translation purposes in respect of one euro were:

	Average for the year ended 31 December[A]			Closing as at 31 December	
	2022	2021	2020	2022	2021
British pound	1.17	1.16	1.13	1.13	1.19
US dollar	0.95	0.85	0.88	0.94	0.88
Norwegian krone	0.10	0.10	0.09	0.10	0.10
Swedish krone	0.09	0.10	0.10	0.09	0.10
Icelandic krone	0.01	0.01	0.01	0.01	0.01
Australian dollar	0.66	0.63	n/a	0.64	0.64
Indonesian rupiah[B]	0.06	0.06	n/a	0.06	0.06
New Zealand dollar	0.60	0.60	n/a	0.60	0.60
Papua New Guinean kina	0.27	0.24	n/a	0.27	0.25

(A) For the year ended 31 December 2021, the rates for the Asia Pacific region are calculated as average for the period from 10 May 2021 to 31 December 2021.
(B) Indonesian rupiah is shown as 1000 IDR versus 1 EUR.

Reporting periods

In these consolidated financial statements, the Group is reporting the financial results for the years ended 31 December 2022, 31 December 2021 and 31 December 2020.

There was one less selling day in the six months ended 1 July 2022 versus the six months ended 2 July 2021, and there were equal selling days in the second six months of 2022 versus the second six months of 2021 (based upon a standard five day selling week).

The following table summarises the number of selling days for the years ended 31 December 2022, 31 December 2021 and 31 December 2020 (based on a standard five day selling week):

	First Half	Second Half	Full Year
2022	**130**	**130**	**260**
2021	131	130	261
2020	128	134	262

Comparability

The COVID-19 pandemic and related response measures have had and may continue to have an adverse effect on global economic conditions, as well as our business, results of operations, cash flows and financial condition. At this time, we cannot predict the degree to which, or the time period over which, our business will continue to be affected by COVID-19 and the related response measures. These impacts limit the comparability of these consolidated financial statements with prior periods.

In addition, sales of the Group's products are seasonal. In Europe, the second and third quarters typically account for higher unit sales of the Group's products than the first and fourth quarters. In the Group's Asia Pacific territories, the fourth quarter would typically reflect higher sales volumes in the year. The seasonality of the Group's sales volume, combined with the accounting for fixed costs such as depreciation, amortisation, rent and interest expense, impacts the Group's reported results for the first and second halves of the year. Additionally, year over year shifts in holidays, selling days and weather patterns can impact the Group's results on an annual or half yearly basis.

Note 2
Accounting policies

IFRS 15 "Revenue recognition and deductions from revenue"

The Group derives its revenues by making, selling and distributing ready to drink beverages. The revenue from the sale of products is recognised at the point in time at which control passes to a customer, typically when products are delivered to a customer. A receivable is recognised by the Group at the point in time at which the right to consideration becomes unconditional.

The Group uses various promotional programmes under which rebates, refunds, price concessions or similar items can be earned by customers for attaining agreed upon sales levels or for participating in specific marketing programmes. Those promotional programmes do not give rise to a separate performance obligation. Where the consideration the Group is entitled to varies because of such programmes, it is deemed to be variable consideration. The related accruals are recognised as a deduction from revenue and are not considered distinct from the sale of products to the customer. Variable consideration is only included to the extent that it is highly probable that the inclusion will not result in a significant revenue reversal in the future normal commercial terms.

Financing elements are not deemed present in our contracts with customers as the sales are made with credit terms not exceeding normal commercial terms. Taxes on sugared soft drinks, excise taxes and taxes on packaging are recorded on a gross basis (i.e. included in revenue) where the Group is the principal in the arrangement. Value added taxes are recorded on a net basis (i.e. excluded from revenue). The Group assesses these taxes and duties on a jurisdiction by jurisdiction basis to conclude on the appropriate accounting treatment.

The rest of the accounting policies applied by the Group are included in the relevant notes herein.

Notes to the consolidated financial statements continued

New and amended standards and interpretation

The Group has applied the following amendments for the first time in the year ended 31 December 2022.

Onerous contracts – Costs of fulfilling a contract – Amendments to IAS 37

The amendments clarify that when assessing whether a contract is onerous, an entity needs to include costs that relate directly to a contract capturing both the incremental costs of fulfilling a contract as well as an allocation of other costs directly related to contract activities. These amendments had no impact on the consolidated financial statements of the Group.

Property, plant and equipment: proceeds before intended use – Amendments to IAS 16

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment (PP&E) any proceeds received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss. These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items.

IFRS 9 Financial instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The pronouncement clarifies which fees should be included in the 10% test for derecognition of financial liabilities. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. The pronouncement had no impact on the consolidated financial statements of the Group as there were no modifications to the Group's financial instruments during the period.

Reference to the Conceptual Framework – Amendments to IFRS 3

Minor amendments were made to IFRS 3 Business Combinations to update the reference to the Conceptual Framework for Financial Reporting and to add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets or IFRIC 21 Levies, if incurred separately. The exception requires entities to apply the criteria under IAS 37 or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date. The amendments also confirms that contingent assets should not be recognised at the acquisition date. These amendments had no impact on the consolidated financial statements of the Group as there were no acquisitions taking place during the period.

The Group has not early adopted any other standards, interpretations or amendments that have been issued but are not yet effective. These standards, interpretations or amendments are not expected to have a material impact to the Group in the current or future periods and on foreseeable future transactions.

Note 3
Significant judgements and estimates

In preparing these consolidated financial statements, management has made judgements and estimates that affect the application of the Group's accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The significant judgements made in applying the Group's accounting policies were applied consistently across the annual periods.

The significant judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in these financial statements are outlined below.

Significant judgements

Intangible assets and goodwill

The Group has assigned indefinite lives to its bottling agreements with TCCC. This judgement has been made after evaluating the contractual provisions of the bottling agreements, the Group's mutually beneficial relationship with TCCC and the history of renewals for bottling agreements.

Refer to Note 7 for further details on the judgement regarding the lives of bottling agreements.

Significant estimates

Impairment of indefinite lived intangible assets and goodwill

Determining whether goodwill and intangible assets with indefinite lives are impaired requires an estimation of the value in use or the fair value less costs to sell of the cash generating unit (CGU) to which the goodwill or intangible asset has been allocated. The value in use calculation requires management's estimation of the future cash flows expected to arise from the CGU, including the impact of COVID-19 and climate-related risks. Refer to Note 7 for the sensitivity analysis of the assumptions used in the impairment analysis of goodwill and intangible assets with indefinite lives.

Deductions from revenue and sales incentives

The Group participates in various promotional programmes with customers designed to increase the sale of products. Among the programmes are arrangements under which rebates, refunds, price concessions or similar items can be earned by customers for attaining agreed upon sales levels, or for participating in specific marketing programmes. Those promotional programmes do not give rise to a separate performance obligation. Where the consideration the Group is entitled to varies because of such programmes, the amount payable is deemed to be variable consideration. Management makes estimates on an ongoing basis for each individual promotion to assess the value of the variable consideration based upon historical customer experience, expected customer performance and/or estimated sales volumes. The related accruals are recognised as a deduction from revenue and are not considered distinct from the sale of products to the customer. Refer to Note 15 for further details.

Notes to the consolidated financial statements continued

Income tax
The Group is subject to income taxes in numerous jurisdictions and there are many transactions for which the ultimate tax determination cannot be assessed with certainty in the ordinary course of business. The Group recognises a provision for situations that might arise in the foreseeable future based on an assessment of the probabilities as to whether additional taxes will be due. In addition, the Group is involved in various legal proceedings and tax matters. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made, management provides for its best estimate of the liability. Where the final outcome on these matters is different from the amounts that were initially recorded, such differences impact the tax provision in the period in which such determination is made. These estimates are subject to potential change over time as new facts emerge and each circumstance progresses. The evaluation of deferred tax asset recoverability requires estimates to be made regarding the availability of future taxable income in the jurisdiction giving rise to the deferred tax asset. Refer to Note 21 for further details regarding income taxes.

Defined benefit plans
The determination of pension benefit costs and obligations are estimated based on assumptions determined with the assistance of external actuarial advice. The key assumptions impacting the valuations are the discount rate, salary rate of inflation and mortality rates. Refer to Note 16 for further details about the Group's defined benefit pension plan costs and obligations.

Note 4
Business combinations
On 10 May 2021, the Company acquired 100% of the issued and outstanding Shares of API. API was one of the largest bottlers and distributors of ready to drink non-alcoholic and alcoholic beverages and coffee in the Asia Pacific region and was the authorised bottler and distributor of The Coca-Cola Company's (TCCC) beverage brands in Australia, New Zealand and Pacific Islands, Indonesia and Papua New Guinea. Details surrounding this business combination transaction, including the provisional fair values of assets and liabilities acquired, were disclosed in Note 4 of the Group's annual consolidated financial statements for the year ended 31 December 2021. The valuation exercise was completed during the first half of 2022. Subsequent changes to the provisional amounts previously disclosed are immaterial.

Note 5
Segment information
Description of segment and principal activities
The Group derives its revenues through a single business activity, which is making, selling and distributing an extensive range of primarily non-alcoholic ready to drink beverages. The Group's Board continues to be its Chief Operating Decision Maker (CODM), which allocates resources and evaluates performance of its operating segments based on volume, revenue and comparable operating profit. Comparable operating profit excludes items impacting the comparability of period over period financial performance.

The following table provides a reconciliation between reportable segment operating profit and consolidated profit before tax:

	Year ended 31 December								
	2022			2021			2020		
	Europe	API	Total	Europe	API	Total	Europe	API	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Revenue	13,529	3,791	17,320	11,584	2,179	13,763	10,606	—	10,606
Comparable operating profit[A]	1,670	468	2,138	1,500	272	1,772	1,194	—	1,194
Items impacting comparability[B]	(52)		(256)						(381)
Reported operating profit	**2,086**		**1,516**						**813**
Total finance costs, net	(114)		(129)						(111)
Non-operating items	(15)		(5)						(7)
Reported profit before tax	**1,957**		**1,382**						**695**

(A) Comparable operating profit includes comparable depreciation and amortisation of €549 million and €223 million for Europe and API respectively, for the year ended 31 December 2022. Comparable depreciation and amortisation charges for the year ended 31 December 2021 totalled €564 million and €162 million for Europe and API respectively. Comparable depreciation and amortisation charges for the year ended 31 December 2020 totalled €606 million for Europe.

(B) Items impacting the comparability of period over period financial performance for 2022 primarily include restructuring charges of €163 million (refer to Note 18), partially offset by €96 million of other income arising from the favourable court ruling pertaining to the ownership of certain mineral rights in Australia (refer to Note 23) and net insurance recoveries received of €11 million arising from the July 2021 flooding events. Items impacting the comparability for 2021 included restructuring charges of €153 million (refer to Note 18), acquisition and integration-related costs of €49 million, and the inventory fair value step up related to acquisition accounting of €48 million (refer to Note 4). Items affecting the comparability for 2020 include restructuring charges of €368 million (refer to Note 18).

No single customer accounted for more than 10% of the Group's revenue during the years ended 31 December 2022, 31 December 2021 and 31 December 2020.

Notes to the consolidated financial statements continued

Revenue by geography

The following table summarises revenue from external customers by geography, which is based on the origin of the sale:

	Year ended 31 December		
	2022	2021	2020
Revenue:	**€ million**	**€ million**	**€ million**
Iberia[A]	3,031	2,495	2,173
Germany	2,582	2,335	2,270
Great Britain	3,088	2,613	2,203
France[B]	2,089	1,813	1,709
Belgium/Luxembourg	1,042	926	892
Netherlands	662	557	529
Norway	404	391	423
Sweden	421	375	337
Iceland	87	79	70
Total Europe	**13,529**	**11,584**	**10,606**
Australia	2,339	1,359	—
New Zealand and Pacific Islands	649	377	—
Indonesia and Papua New Guinea	803	443	—
Total API	**3,791**	**2,179**	**—**
Total CCEP	**17,320**	**13,763**	**10,606**

(A) Iberia refers to Spain, Portugal and Andorra.
(B) France refers to continental France and Monaco.

Assets by geography

Assets are allocated based on operations and physical location. The following table summarises non-current assets, other than financial instruments and deferred tax assets, by geography:

	Year ended 31 December	
	2022	2021
Assets:	**€ million**	**€ million**
Iberia[A]	6,401	6,644
Germany	3,091	3,077
Great Britain	2,469	2,680
France[B]	896	887
Belgium/Luxembourg	613	600
Netherlands	628	432
Sweden	349	379
Norway	242	247
Iceland	36	34
Other unallocated	271	245
Total Europe	**14,796**	**15,225**
Australia	5,281	5,356
New Zealand and Pacific Islands	1,755	1,751
Indonesia and Papua New Guinea	726	712
Total API	**7,762**	**7,819**
Total CCEP	**22,558**	**23,044**

(A) Iberia refers to Spain, Portugal and Andorra.
(B) France refers to continental France and Monaco.

Notes to the consolidated financial statements continued

Note 6
Earnings per share

Basic earnings per share is calculated by dividing profit after taxes by the weighted average number of Shares in issue and outstanding during the period. Diluted earnings per share is calculated in a similar manner, but includes the effect of dilutive securities, principally share options, restricted stock units and performance share units. Share-based payment awards that are contingently issuable upon the achievement of specified market and/or performance conditions are included in the diluted earnings per share calculation based on the number of Shares that would be issuable if the end of the period was the end of the contingency period.

The following table summarises basic and diluted earnings per share calculations for the years presented:

	Year ended 31 December		
	2022	2021	2020
Profit after taxes attributable to equity shareholders (€ million)	1,508	982	498
Basic weighted average number of Shares in issue[A] (million)	457	456	455
Effect of dilutive potential Shares[B] (million)	1	1	1
Diluted weighted average number of Shares in issue[A] (million)	458	457	456
Basic earnings per share (€)	3.30	2.15	1.09
Diluted earnings per share (€)	3.29	2.15	1.09

(A) As at 31 December 2022, 31 December 2021 and 31 December 2020 the Group had 457,106,453, 456,235,032 and 454,645,510 Shares, respectively, in issue and outstanding.
(B) For the years ended 31 December 2022, 31 December 2021 and 31 December 2020, no options to purchase Shares were excluded from the diluted earnings per share calculation. The dilutive impact of all outstanding options, unvested restricted stock units and unvested performance share units was included in the effect of dilutive securities.

Note 7
Intangible assets and goodwill

Intangible assets with indefinite lives

Intangible assets with indefinite lives acquired through business combination transactions are measured at fair value at the date of acquisition. These assets are not subject to amortisation but are tested for impairment annually at the CGU level or more frequently if facts and circumstances indicate an impairment may exist. In addition to the annual impairment test, the assessment of indefinite lives is also reviewed annually.

TCCC franchise intangible assets

The Group's bottling agreements contain performance requirements and convey the rights to distribute and sell products within specified territories. The Group's agreements with TCCC in each territory are for terms of 10 year and each contain the right for the Group to request a 10 year renewal. The existing bottling agreements expire no earlier than 1 September 2025. While these agreements contain no automatic right of renewal beyond that date, the Group believes that its interdependent relationship with TCCC and the substantial cost and disruption to TCCC that would be caused by non-renewal ensure that these agreements will continue to be renewed and, therefore, are essentially perpetual. The Group has never had a bottling agreement with TCCC terminated due to non-performance of the terms of the agreement or due to a decision by TCCC to terminate an agreement at the expiration of a term. After evaluating the contractual provisions of bottling agreements, the Group's mutually beneficial relationship with TCCC and history of renewals, indefinite lives have been assigned to all of the Group's TCCC bottling agreements.

Brands

In connection with the Acquisition, the Group acquired a portfolio of brands, predominantly comprised of certain non-alcoholic ready to drink beverages distributed and sold in Australia and New Zealand. These are considered to have an indefinite life, given the strength and durability of the brands. Refer to Note 20 and Note 24 for details surrounding the sale of certain non-alcoholic ready to drink brands, which was partially completed during the current period.

Notes to the consolidated financial statements continued

Goodwill
Goodwill is initially measured as the excess of the total consideration transferred over the amount recognised for net identifiable assets acquired and liabilities assumed in a business combination. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in the consolidated income statement as a bargain purchase. Goodwill is not subject to amortisation. It is tested annually for impairment at the CGU level or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill acquired in a business combination is allocated to the CGU that is expected to benefit from the synergies of the combination irrespective of whether a CGU is part of the business combination.

Intangible assets with finite lives
Intangible assets with finite lives are measured at cost of acquisition or production and are amortised using the straight-line method over their respective estimated useful lives. Finite lived intangible assets are assessed for impairment whenever there is an indication that they may be impaired. The amortisation period and method are reviewed annually.

Internally generated software
The Group capitalises certain development costs associated with internally developed software, including external direct costs of materials and services, and payroll costs for employees devoting time to a software project and any such software acquired as part of a business combination. Development expenditure is recognised as an intangible asset only after its technical feasibility and commercial viability can be demonstrated. When capitalised software is not integral to related hardware it is treated as an intangible asset; otherwise it is included within property, plant and equipment. The estimated useful life of capitalised software is predominantly between five and seven years. Amortisation expense for capitalised software is included within administrative expenses and was €83 million, €75 million and €54 million for the years ended 31 December 2022, 31 December 2021 and 31 December 2020, respectively.

Customer relationships
The Group has acquired certain customer relationships in connection with business combinations. These customer relationships are recorded at fair value on the date of acquisition, and amortised over an estimated economic useful life of 20 years. Amortisation expense for these assets is included within administrative expenses and was €10 million, €9 million and €8 million for the years ended 31 December 2022, 31 December 2021 and 31 December 2020, respectively.

Non-TCCC franchise intangible
In connection with the Acquisition, the Group acquired certain bottling agreements with non-TCCC distribution partners which contain performance requirements and convey the rights to distribute and sell products within specified API territories. The non-TCCC bottling arrangements are recorded at fair value at the acquisition date and amortised over an expected economic useful life of 20 years. Amortisation expense for these assets is recognised within administrative expenses and totalled €8 million and €5 million for the years ended 31 December 2022 and 31 December 2021, respectively.

Notes to the consolidated financial statements continued

Balances and movements in intangible assets and goodwill

The following table summarises the movements in the carrying amounts of intangible assets and goodwill for the periods presented:

	TCCC franchise intangible € million	Brands € million	Software € million	Customer relationships € million	Non-TCCC franchise intangible € million	Assets under construction € million	Total intangibles € million	Goodwill € million
Cost:								
As at 31 December 2020	**8,078**	**—**	**382**	**161**	**—**	**69**	**8,690**	**2,517**
Acquisition of CCL	3,822	211	55	37	149	11	4,285	2,097
Additions	—	—	65	—	—	40	105	—
Disposals	—	—	(23)	—	—	—	(23)	—
Transfers and reclassifications	—	—	74	—	—	(74)	—	—
Assets held for sale	—	(189)	—	—	—	—	(189)	—
Currency translation adjustments	108	—	18	(1)	—	1	126	9
As at 31 December 2021	**12,008**	**22**	**571**	**197**	**149**	**47**	**12,994**	**4,623**
Additions	—	—	40	—	—	63	104	—
Disposals	—	—	(27)	—	—	(1)	(28)	—
Transfers and reclassifications	—	44	39	—	—	(38)	12	—
Currency translation adjustments	(134)	6	(2)	(3)	(1)	(2)	(136)	(23)
As at 31 December 2022	**11,874**	**39**	**621**	**195**	**148**	**69**	**12,946**	**4,600**
Accumulated amortisation:								
As at 31 December 2020	**—**	**—**	**(233)**	**(43)**	**—**	**—**	**(276)**	**—**
Amortisation expense	—	—	(75)	(9)	(5)	—	(89)	—
Disposals	—	—	20	—	—	—	20	—
Currency translation adjustments	—	—	(9)	(1)	—	—	(10)	—
As at 31 December 2021	**—**	**—**	**(297)**	**(53)**	**(5)**	**—**	**(355)**	**—**
Amortisation expense			(83)	(10)	(8)		(101)	
Disposals	—	—	22	—	—	—	22	—
Currency translation adjustments		(7)	(2)	2			(7)	
As at 31 December 2022	**—**	**(7)**	**(360)**	**(61)**	**(13)**	**—**	**(441)**	**—**
Net book value:								
As at 31 December 2020	8,078	—	149	118	—	69	8,414	2,517
As at 31 December 2021	12,008	22	274	144	144	47	12,639	4,623
As at 31 December 2022	**11,874**	**32**	**261**	**134**	**135**	**69**	**12,505**	**4,600**

Notes to the consolidated financial statements continued

Impairment of indefinite lived intangible assets and goodwill

Each CGU is tested for impairment annually in the fourth quarter or whenever there is an indication of impairment. The recoverable amount of each CGU is normally determined through a value in use calculation. To determine value in use for a CGU, estimated future cash flows are discounted to their present values using a pre-tax discount rate reflective of the current market conditions and risks specific to each CGU. If the carrying value of a CGU exceeds its recoverable amount, the carrying value of the CGU is reduced to its recoverable amount and impairment charges are recognised immediately within the consolidated income statement. Impairment charges other than those related to goodwill may be reversed in future periods if a subsequent test indicates that the recoverable amount has increased. Such recoveries may not exceed a CGU's original carrying value less any depreciation that would have been recognised if no impairment charges were previously recorded.

The Group's CGUs are based on geography and generally represent the individual territories in which the Group operates. For the purposes of allocating intangibles, each indefinite lived intangible asset is allocated to the geographic region to which the agreement relates and goodwill is allocated to each of the CGUs expected to benefit from a business combination, irrespective of whether other assets and liabilities of the acquired businesses are assigned to the CGUs.

The following table identifies the carrying value of goodwill and indefinite lived intangible assets attributable to each significant CGU of the Group. In addition to the significant CGUs of the Group, as at 31 December 2022 the Group had other CGUs with total indefinite-lived intangible assets of €1,369 million and goodwill of €380 million.

	Year ended 31 December			
	2022		2021	
Cash generating unit	Indefinite lived intangible assets € million	Goodwill € million	Indefinite lived intangible assets € million	Goodwill € million
Iberia	4,289	1,275	4,289	1,275
Australia	2,690	1,450	2,698	1,459
Great Britain	1,646	200	1,740	200
Germany	1,060	748	1,060	748
Pacific[A]	849	547	863	556

(A) Pacific refers to New Zealand and Pacific Islands.

The recoverable amount of each CGU was determined through a value in use calculation, which uses cash flow projections for a five year period. These projections reflect the impact of climate change on our business as well as the mitigating actions and strategies we are undertaking to support our commitment to reach Net Zero emissions by 2040. The key assumptions used in projecting these cash flows were as follows:

- Growth rate and operating margins: Cash flows were projected over four years based on the Group's strategic business plan. Cash flows for the fifth year and beyond were projected using an inflation-based long-term terminal growth rate between 2.0% and 4.5%.
- Discount rate: A weighted average cost of capital was applied specific to each CGU as a hurdle rate to discount cash flows. The discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The following table summarises the pre-tax discount rate attributable to each significant CGU.

	2022	2021
Cash generating unit	Pre-tax discount rate %	Pre-tax discount rate %
Iberia	8.7	9.3
Australia	9.1	—
Great Britain	9.3	9.9
Germany	8.9	9.3
Pacific	9.7	—

The Group did not record any impairment charges as a result of the tests conducted in 2022 and 2021.

The Group's Great Britain, Germany, Iberia and Australia CGUs have substantial headroom when comparing the value in use calculation of the CGU versus the CGU's carrying value.

For the Group's Pacific CGU, the headroom in the 2022 impairment analysis was approximately 15% of carrying value.

The Group estimates that a 1.0% reduction in the terminal growth rate or a 0.8% increase in the discount rate, each in isolation, would eliminate existing headroom in Pacific.

Notes to the consolidated financial statements continued

Note 8
Property, plant and equipment

Property, plant and equipment is recorded at cost, net of accumulated depreciation and accumulated impairment losses, where cost is the amount of cash or cash equivalents paid to acquire an asset at the time of its acquisition or construction. Major property additions, replacements and improvements are capitalised, while maintenance and repairs that do not extend the useful life of an asset or add new functionality are expensed as incurred. Land is not depreciated, as it is considered to have an indefinite life. For all property, plant and equipment, other than land, depreciation is recorded using the straight-line method over the respective estimated useful lives as follows:

	Useful life (years)	
Category	**Low**	**High**
Buildings and improvements	10	40
Machinery, equipment and containers	3	20
Cold drink equipment	2	12
Vehicle fleet	3	12
Furniture and office equipment	3	10

Gains or losses arising on the disposal or retirement of an asset are determined as the difference between the carrying amount of the asset and any proceeds from its sale. Leasehold improvements are amortised using the straight-line method over the shorter of the remaining lease term or the estimated useful life of the improvement.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, an impairment test is performed to estimate the potential loss of value that may reduce the recoverable amount of the asset to below its carrying amount. Any impairment loss is recognised within the consolidated income statement by the amount which the carrying amount exceeds the recoverable amount. Useful lives and residual amounts are reviewed annually and adjustments are made prospectively as required.

For property, plant and equipment, the Group assesses annually whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, a previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised and only up to the recoverable amount or the original carrying amount net of depreciation that would have been incurred had no impairment losses been recognised.

The transition to a low-carbon economy may impact the carrying value and remaining useful economic lives of the Group's property, plant and equipment. The Group continues to invest in more efficient, cleaner and technologically advanced assets, however, the significant majority of the Group's current assets are likely to be substantially depreciated ahead of our 2040 Net Zero emission commitments, as set out in our Strategic Report on pages 38-41. In addition, the Group continuously monitors the latest developments in the government legislation in relation to climate-related risks. Currently, no legislation has been passed that will materially impact the carrying value and remaining useful economic lives of the Group.

The Group leases land, office and warehouse property, computer hardware, machinery and equipment and vehicles under non-cancellable lease agreements, most of which expire at various dates through to 2030. Since the adoption of IFRS 16, "Leases", effective 1 January 2019, the Group includes right of use assets within property, plant and equipment. Right of use assets are initially measured at cost, comprising the initial measurement of the lease liability, plus any direct costs and an estimate of asset retirement obligations, less lease incentives. Subsequently, right of use assets are measured at cost, less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated on a straight-line basis over the term of the lease.

The Group does not separate lease from non-lease components for each of its lease categories, except for property leases. All low value leases with total minimum lease payments under €5,000 and leases with a term less than 12 months are expensed on a straight-line basis.

Extension and termination options are included in a number of property and equipment leases across the Group and are used to maximise operational flexibility in terms of managing contracts. Extension options (or periods after termination options) are only included in the lease term if the Group has an enforceable right to extend or terminate the lease and is reasonably certain to do so.

Notes to the consolidated financial statements continued

The following table summarises the movement in net book value for property, plant and equipment for the periods presented:

	Land	Buildings and improvements	Machinery, equipment and containers	Cold drink equipment	Vehicle fleet	Furniture and office equipment	Assets under construction	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Cost:								
As at 31 December 2020	**317**	**1,846**	**2,975**	**1,155**	**283**	**144**	**125**	**6,845**
Acquisition of CCL	339	492	529	108	7	15	78	1,568
Additions	2	41	119	50	62	10	195	479
Disposals	(3)	(28)	(218)	(319)	(54)	(16)	1	(637)
Transfers and reclassifications[A]	—	47	129	11	1	5	(197)	(4)
Currency translation adjustments	8	31	44	21	(1)	2	4	109
As at 31 December 2021	**663**	**2,429**	**3,578**	**1,026**	**298**	**160**	**206**	**8,360**
Additions	1	131	221	65	59	21	287	785
Disposals	(3)	(28)	(183)	(492)	(58)	(8)	—	(249)
Assets held for sale	(29)	(26)	(8)					(63)
Transfers and reclassifications	27	37	75	36	2	6	(184)	[illegible]
Currency translation adjustments	(11)	(42)	(49)	32	(4)	(2)	(4)	(79)
As at 31 December 2022	**648**	**2,501**	**3,723**	**1,110**	**297**	**179**	**305**	**8,763**
Accumulated depreciation:								
As at 31 December 2020	**—**	**(651)**	**(1,337)**	**(772)**	**(141)**	**(84)**	**—**	**(2,985)**
Depreciation expense	—	(123)	(326)	(163)	(61)	(20)	—	(693)
Disposals	—	17	208	319	51	15	—	610
Currency translation adjustments	—	(9)	(18)	(15)	—	(2)	—	(44)
As at 31 December 2021	**—**	**(766)**	**(1,473)**	**(631)**	**(151)**	**(91)**	**—**	**(3,112)**
Depreciation expense		(128)	(382)	(274)	(58)	(22)		(715)
Disposals	—	19	105	49	33	8	—	234
Assets held for sale		10	9					19
Transfers and reclassifications	—	—	3	(2)	—	—	—	1
Currency translation adjustments	—	22	(2)	(14)	3	2	—	11
As at 31 December 2022	**—**	**(843)**	**(1,738)**	**(725)**	**(153)**	**(103)**	**—**	**(3,562)**
Net book value:								
As at 31 December 2020	317	1,195	1,638	383	142	60	125	3,860
As at 31 December 2021	663	1,663	2,105	395	147	69	206	5,248
As at 31 December 2022	**648**	**1,658**	**1,985**	**385**	**144**	**76**	**305**	**5,201**

(A) Includes €4 million related to assets held for sale for the year ended 31 December 2021.

Notes to the consolidated financial statements continued

Right of use assets

The following table summarises the net book value of right of use assets included within property, plant and equipment:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Buildings and improvements	465	438
Vehicle fleet	133	135
Machinery, equipment and containers	82	71
Furniture and office equipment	3	5
Total	**683**	**649**

Total additions to right of use assets during 2022 were €208 million (2021: €120 million).

The following table summarises depreciation charges relating to right of use assets for the periods presented:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Buildings and improvements	63	56
Vehicle fleet	57	59
Machinery, equipment and containers	34	22
Furniture and office equipment	2	2
Total	**156**	**139**

During the years ended 31 December 2022 and 31 December 2021, the total expense relating to low value and short-term leases was €24 million and €16 million, respectively, which is primarily included in administrative expenses. The Group does not have any residual value guarantees in relation to its leases. As at 31 December 2022 the total value of lease extension and termination options included within right of use assets was €35 million (2021: €16 million).

The Group incurred variable lease expenses of €153 million in 2022 (2021: €93 million), primarily included in administrative expenses. This amount mainly consists of the variable component of lease payments for product transportation services in Australia and New Zealand, whereby these components are dependent on various factors such as number of cases of product delivered, number of trips and pallets.

Note 9
Inventories

Inventories are valued at the lower of cost or net realisable value and cost is determined using the first-in, first-out (FIFO) method. Inventories consist of raw materials, supplies (primarily including concentrate, other ingredients and packaging) and finished goods, which also include direct labour, indirect production and overhead costs. Cost includes all costs incurred to bring inventories to their present location and condition. Spare parts, classified and accounted as inventories, are recorded as assets at the time of purchase and are expensed as utilised. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to complete and sell the inventory.

The following table summarises the inventory outstanding in the consolidated statement of financial position as at the dates presented:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Finished goods	777	635
Raw materials and supplies	452	375
Spare parts and other	151	147
Total inventories	**1,380**	**1,157**

Write downs of inventories totalled €41 million, €41 million and €29 million for the years ended 31 December 2022, 31 December 2021 and 31 December 2020, respectively. The majority of these write downs were included in cost of sales on the consolidated income statement. None of these write downs of inventory were subsequently reversed.

Notes to the consolidated financial statements continued

Note 10
Trade accounts receivable

The Group sells its products to retailers, wholesalers and other customers and extends credit, generally without requiring collateral, based on an evaluation of the customer's financial condition. While the Group has a concentration of credit risk in the retail sector, this risk is mitigated due to the diverse nature of the customers the Group serves, including, but not limited to, their type, geographic location, size and beverage channel.

Trade accounts receivable are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment. Typically, accounts receivable have terms of 30 to 60 days and do not bear interest. The Group applies an expected credit loss reserve methodology to assess possible impairments. Balances are considered for impairment on an individual basis rather than by reference to the extent that they become overdue. The Group considers factors such as delinquency in payment, financial difficulties, payment history of the debtor as well as certain forward-looking macroeconomic indicators. The carrying amount of trade accounts receivable is reduced through the use of an allowance account and the amount of the loss is recognised in the consolidated income statement. Credit insurance on a portion of the accounts receivable balance is also carried. Refer to Note 26 for further details on credit risk management.

As a result of increased recession risk across our European territories, the Group supplemented its existing credit loss reserve methodology to include an incremental loss allowance for those receivable balances that were deemed to be higher risk in the current environment. The incremental allowance is included within allowance for doubtful accounts below, as at 31 December 2022.

The following table summarises the trade accounts receivable outstanding in the consolidated statement of financial position as at the dates presented:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Trade accounts receivable, gross	2,523	2,354
Allowance for doubtful accounts	(57)	(49)
Total trade accounts receivable	**2,466**	**2,305**

The following table summarises the ageing of trade accounts receivable, net of allowance for doubtful accounts, in the consolidated statement of financial position as at the dates presented:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Not past due	2,287	2,172
Past due 1 – 30 days	102	88
Past due 31 – 60 days	30	18
Past due 61 – 90 days	15	9
Past due 91 – 120 days	14	3
Past due 121+ days	18	15
Total	**2,466**	**2,305**

The following table summarises the change in the allowance for doubtful accounts for the periods presented:

	Allowance for doubtful accounts
	€ million
As at 31 December 2020	**(39)**
Provision for impairment recognised during the year	(13)
Receivables written off during the year as uncollectible	3
As at 31 December 2021	**(49)**
Provision for impairment recognised during the year	(15)
Receivables written off during the year as uncollectible	5
Reversals	1
Currency translation adjustments	1
As at 31 December 2022	**(57)**

Notes to the consolidated financial statements continued

Note 11
Cash and cash equivalents and short-term investments

Cash and cash equivalents

Cash and cash equivalents include cash and short-term, highly liquid financial instruments with maturity dates of less than three months when acquired that are readily convertible to cash and which are subject to an insignificant risk of changes in value. Counterparties and instruments used to hold the Group's cash and cash equivalents are continually assessed, with a focus on preservation of capital and liquidity.

The following table summarises the cash and cash equivalents outstanding in the consolidated statement of financial position as at the dates presented:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Cash at banks and on hand	491	708
Short-term deposits and securities	896	699
Total cash and cash equivalents	**1,387**	**1,407**

Cash and cash equivalents are held in the following currencies as at the dates presented:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Euro	477	524
British pound	190	337
US dollar	86	74
Norwegian krone	35	64
Swedish krona	27	31
Australian dollar	338	234
Indonesian rupiah	76	41
Papua New Guinean kina	102	45
Other	90	57
Total cash and cash equivalents	**1,387**	**1,407**

Included within Cash and cash equivalents as at 31 December 2022 and 31 December 2021 are Papua New Guinea cash assets of €102 million and €45 million respectively, denominated in local currency (Kina). Government-imposed currency controls impact the extent to which the cash held in Papua New Guinea can be converted into foreign currency and remitted for use elsewhere in the Group. There are no other material restrictions on the Group's cash and cash equivalents.

Short-term investments

Short-term investments are financial assets that are initially recognised at fair value and subsequently measured at amortised cost. The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments for principal and interest.

The short-term investment balance is comprised of time deposits and treasury bills, with maturity dates of greater than three months and less than one year when acquired, which do not meet the definition of cash and cash equivalents, and are expected to be held until maturity. These are highly liquid investments and due to their short-term nature, their carrying amount is not significantly different from the fair values.

As at 31 December 2022 and 31 December 2021 short-term investments were €256 million and €58 million respectively, which included €49 million and €44 million respectively, denominated in Papua New Guinea kina that are subject to government-imposed currency controls which impact the extent to which these investments, upon maturity, can be converted into foreign currency and remitted for use elsewhere in the Group.

Note 12
Fair values

Fair value measurements

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This is described as one of the following, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included in Level 1. The Group values assets and liabilities included in this level using dealer and broker quotations, certain pricing models, bid prices, quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

The fair values of the Group's cash and cash equivalents, short-term investments, trade accounts receivable, amounts receivable from related parties, trade and other payables and amounts payable to related parties approximate their carrying amounts due to their short-term nature.

The fair values of the Group's borrowings are estimated based on borrowings with similar maturities and credit quality and current market interest rates. These are categorised within Level 2 of the fair value hierarchy as the Group uses certain pricing models and quoted prices for similar liabilities in active markets in assessing their fair values. Refer to Note 14 for further details regarding the Group's borrowings.

Notes to the consolidated financial statements continued

The following table summarises the book value and fair value of the Group's borrowings as at the dates presented:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Fair value of borrowings	10,503	13,316
Book value of borrowings (Note 14)	10,907	13,140

The Group's derivative assets and liabilities are carried at fair value, which is determined using a variety of valuation techniques, depending on the specific characteristics of the hedging instrument, taking into account credit risk. The fair value of its derivative contracts (including forwards, options, futures, cross currency swaps and interest rate swaps) is determined using standard valuation models. The significant inputs used in these models are readily available in public markets or can be derived from observable market transactions and, therefore, the derivative contracts have been classified as Level 2. Inputs used in these standard valuation models include the applicable spot, forward and discount rates. The standard valuation model for the option contracts also includes implied volatility, which is specific to individual options and is based on rates quoted from a widely used third party resource. Refer to Note 13 for further details about the Group's derivatives.

The following table summarises the fair value of the derivative assets and liabilities as at the dates presented:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Assets at fair value:		
Derivatives (Note 13)	148	376
Liabilities at fair value:		
Derivatives (Note 13)	253	66

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each reporting period. There have been no transfers between levels during the periods presented.

Note 13
Hedging activities
Derivative financial instruments

The Group utilises derivative financial instruments to mitigate its exposure to certain market risks associated with its ongoing operations. The primary risks that it seeks to manage through the use of derivative financial instruments include currency exchange risk, commodity price risk and interest rate risk.

All derivative financial instrument assets and liabilities are recorded at fair value on the consolidated statement of financial position. The Group does not use derivative financial instruments for trading or speculative purposes and all hedge ratios are on a 1:1 basis. At the inception of a hedge transaction, the Group documents the relationship between the hedging instrument and the hedged item, as well as its risk management objective and strategy for undertaking the hedge transaction. This process includes linking the derivative financial instrument designated as a hedging instrument to the specific asset, liability, firm commitment or forecasted transaction. Refer to Note 26 for further details about the Group's risk management strategy and objective. Both at the hedge inception and on an ongoing basis, the Group assesses and documents whether the derivative financial instrument used in the hedging transaction is highly effective in maintaining the risk management objectives. Where critical terms match, the Group uses a qualitative assessment to ensure initial and ongoing effectiveness criteria. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If the hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement.

While certain derivative financial instruments are designated as hedging instruments, the Group may also enter into derivative financial instruments that are designed to hedge a risk but are not designated as hedging instruments (referred to as an economic hedge or a non-designated hedge). The decision regarding whether or not to designate a hedge for hedge accounting is made by management considering the size, purpose and tenure of the hedge, as well as the anticipated ability to achieve and maintain the Group's risk management objective.

The Group is exposed to counterparty credit risk on all of its derivative financial instruments. It has established and maintained strict counterparty credit guidelines and enters into hedges only with financial institutions that are investment grade or better. It continuously monitors counterparty credit risk and utilises numerous counterparties to minimise its exposure to potential defaults.

The following table summarises the fair value of the assets and liabilities related to derivative financial instruments and the respective line items in which they were recorded in the consolidated statement of financial position as at the dates presented. All derivative instruments are classified as Level 2 within the fair value hierarchy.

Discussion of the Group's other financial assets and liabilities is contained elsewhere in these financial statements. Refer to Note 10 for trade accounts receivable, Note 15 for trade and other payables, Note 14 for borrowings and Note 20 for amounts receivable and payable with related parties.

Notes to the consolidated financial statements continued

Hedging instrument	Location – statement of financial position	Year ended 31 December 2022 € million	2021 € million
Assets:			
Derivatives designated as hedging instruments:			
Commodity contracts	Non-current derivative assets	30	75
Foreign currency contracts	Non-current derivative assets	4	3
Interest rate and cross currency swaps	Non-current derivative assets	157	148
Commodity contracts	Current derivative assets	133	128
Foreign currency contracts	Current derivative assets	27	16
Interest rate and cross currency swaps	Current derivative assets	97	6
	Total assets	**448**	**376**
Liabilities:			
Derivatives designated as hedging instruments:			
Commodity contracts	Non-current derivative liabilities	6	3
Foreign currency contracts	Non-current derivative liabilities	10	—
Interest rate and cross currency swaps	Non-current derivative liabilities	141	44
Commodity contracts	Current derivative liabilities	47	5
Foreign currency contracts	Current derivative liabilities	59	14
	Total liabilities	**263**	**66**

Cash flow hedges

The Group uses cash flow hedges to mitigate its exposure to changes in cash flows attributable to currency fluctuations and commodity price fluctuations associated with certain forecasted transactions, including purchases of raw materials, finished goods and services denominated in non-functional currencies, the receipt of interest and principal on intercompany loans denominated in non-functional currencies and the payment of interest and principal on debt issuances in non-functional currencies. Effective changes in the fair value of these cash flow hedging instruments are recognised as a component of other reserves on the consolidated statement of financial position. The effective changes are then recognised within the line item on the consolidated income statement that is consistent with the nature of the underlying hedged item in the period that the forecasted purchases or payments impact earnings. Any changes in the fair value of these cash flow hedges that are the result of ineffectiveness are recognised immediately in the line item on the consolidated income statement that is consistent with the nature of the underlying hedged item. Historically, the Group has not experienced, nor does it expect to experience, material hedge ineffectiveness with the value of the hedged instrument equalling that of the hedged item.

The net notional amount of outstanding interest rate and cross currency swaps used to hedge interest rate risk and currency fluctuations of non-functional currency borrowings was €2.1 billion as at 31 December 2022 and €2.2 billion as at 31 December 2021. The net notional amount of the other outstanding currency-related cash flow hedges was €1.7 billion as at 31 December 2022 and €1.1 billion as at 31 December 2021. The net notional amount of outstanding commodity-related cash flow hedges was €1.4 billion as at 31 December 2022 and €0.9 billion as at 31 December 2021. Outstanding cash flow hedges as at 31 December 2022 are expected to settle and affect profit or loss between 2023 and 2036.

Notes to the consolidated financial statements continued

The following table summarises the Group's outstanding cash flow hedges by risk category as at the dates presented (all contracts denominated in a foreign currency have been converted into euros using the respective year end spot rate):

	Notional maturity profile				
	Total	Less than 1 year	1 to 3 years	3 to 5 years	Over 5 years
Cash flow hedges	**€ million**	**€ million**	**€ million**	**€ million**	**€ million**
Deal contingent foreign currency forwards	3,000	3,000	—	—	—
Foreign currency contracts	310	174	136	—	—
Interest rate and cross currency swaps	396	396	—	—	—
Commodity contracts	677	403	274	—	—
As at 31 December 2020	**4,383**	**3,973**	**410**	**—**	**—**
Foreign currency contracts	1,074	912	162	—	—
Interest rate and cross currency swaps	2,225	144	1,365	—	716
Commodity contracts	922	566	356	—	—
As at 31 December 2021	**4,221**	**1,622**	**1,883**	**—**	**716**
Foreign currency contracts	1,195	1,097	431		
Interest rate and cross currency swaps	2,079	682	601	416	299
Commodity contracts	1,397	857	563		
As at 31 December 2022	**5,199**	**2,886**	**1,598**	**416**	**299**

The Group recognised within other comprehensive income net gains of €3 million, €125 million and €25 million for the years ended 31 December 2022, 31 December 2021 and 31 December 2020, respectively, related to changes in the fair values of outstanding cash flow hedges. The amount of ineffectiveness associated with these cash flow hedges was not material during any year presented within these financial statements.

During 2021, the Group entered into deal contingent foreign currency forwards with a total notional amount of €5.6 billion in order to mitigate the foreign currency risk arising from the Acquisition. These instruments were recorded as cash flow hedges, and on completion of the Acquisition, gains of €84 million were reclassified to goodwill.

The following table summarises the net of tax effect for cash flow hedges for the periods presented within the consolidated income statement:

		Amount of gain/(loss) reclassified from the hedging reserve into profit		
		Year ended 31 December		
		2022	2021	2020
Cash flow hedging instruments	**Location – Income statement**	**€ million**	**€ million**	**€ million**
Foreign currency contracts	Cost of sales	19	(3)	1
Commodity contracts	Cost of sales	65	74	(33)
Commodity contracts	Selling and distribution expenses	34	2	(3)
Interest rate and cross currency swaps[A]	Finance costs	(86)	(78)	23
Total		**50**	**(5)**	**(12)**

(A) The gain/(loss) recognised on these currency contracts is offset by the gain/(loss) recognised on the remeasurement of the underlying debt instruments; therefore, there is a minimal consolidated net effect in non-operating items on the consolidated income statement.

Fair value hedges

The Group has designated certain cross currency swaps used to mitigate FX risk and interest rate risk on foreign currency borrowings as fair value hedges. There is an economic relationship between the hedged item and the hedging instrument as the terms of the cross currency swap contracts match the terms of the fixed rate borrowings. The Group has established a hedge ratio of 1:1 for the hedging relationship.

Notes to the consolidated financial statements continued

The following table summarises the Group's outstanding fair value hedges by risk category as at the dates presented (all contracts denominated in a foreign currency have been converted into euros using the respective year end spot rate):

Fair value hedges	Total	Less than 1 year € million	1 to 3 years € million	3 to 5 years € million	Over 5 years € million
As at 31 December 2020	**—**	**—**	**—**	**—**	**—**
Interest rate and cross currency swaps	166	—	—	—	166
As at 31 December 2021	**166**	**—**	**—**	**—**	**166**
Interest rate and cross currency swaps	1,165			500	665
As at 31 December 2022	**1,165**	**—**	**—**	**500**	**665**

The following table summarises the gains/(losses) recognised from fair value hedges that settled for the periods presented within the consolidated income statement:

		Year ended 31 December		
Fair value hedges	Location – Income statement	2022 € million	2021 € million	2020 € million
Interest rate and cross currency swaps	Finance costs	2	(2)	—
Total		**2**	**(2)**	**—**

The carrying value of the hedged item recognised in borrowings is €1,019 million (2021: €173 million), which includes accumulated amounts of fair value adjustments of €(146) million (2021: €15 million).

Non-designated hedges

The Group periodically enters into derivative instruments that are designed to hedge various risks but are not designated as hedging instruments.

At times, it enters into other short-term non-designated hedges to mitigate its exposure to changes in cash flows attributable to currency fluctuations associated with short-term intercompany loans and certain cash equivalents denominated in non-functional currencies. Changes in the fair value of outstanding non-designated hedges are recognised each reporting period in the line item on the consolidated income statement that is consistent with the nature of the hedged risk.

There were €29 million outstanding non-designated foreign currency hedges, hedging intercompany loans as at 31 December 2022. There were €59 million outstanding non-designated hedges as at 31 December 2021.

The following table summarises the gains/(losses) recognised from non-designated derivative financial instruments in the consolidated income statement for the years presented.

		Year ended 31 December		
Non-designated hedging instruments	Location – Income statement	2022 € million	2021 € million	2020 € million
Commodity contracts	Selling and distribution expenses		—	(12)
Foreign currency contracts[A]	Non-operating items	(5)	—	(4)
Total		**(5)**	**—**	**(16)**

(A) The gain/(loss) recognised on these currency contracts is offset by the gain/(loss) recognised on the remeasurement of the underlying hedged items; therefore, there is a minimal consolidated net effect in non-operating items on the consolidated income statement.

Net investment hedges

The Group had no net investment hedges in place as at 31 December 2022 or 31 December 2021, however it continues to monitor its exposure to currency exchange rates and may enter into future net investment hedges as a result of volatility in the functional currencies of certain of its subsidiaries.

Note 14
Borrowings and leases

Borrowings

Borrowings are initially recognised at fair value, net of issuance costs incurred. Borrowings acquired by the Group as part of the Acquisition have been recognised at fair value at the acquisition date. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortisation of transaction costs, fair value adjustments made on acquisition, premiums and discounts are recognised as part of finance costs within the consolidated income statement.

Leases

Since the adoption of IFRS 16, "Leases", effective 1 January 2019, lease liabilities are included within borrowings in our consolidated statement of financial position.

The lease liability is measured at the present value of lease payments, discounted using the Group's incremental borrowing rate (IBR). The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease whenever the Group is reasonably certain to exercise that option and has an enforceable right to do so. Subsequently, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and reducing it by lease payments made.

Notes to the consolidated financial statements continued

Borrowings outstanding

The following table summarises the carrying value of the Group's borrowings as at the dates presented:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Non-current:		
Euro denominated bonds:		
€350 million 2.625% Notes 2023	—	349
€500 million 1.125% Notes 2024	498	497
€350 million 2.375% Notes 2025	349	348
€250 million 2.75% Notes 2026[E]	249	249
€600 million 1.75% Notes 2026[E]	580	594
€400 million 1.50% Notes 2027[E]	370	397
€250 million 1.50% Notes 2027	259	261
€500 million 1.75% Notes 2028[E]	466	495
€750 million 0.20% Notes 2028	747	743
€500 million 1.125% Notes 2029	495	494
€500 million 1.875% Notes 2030[E]	479	496
€500 million 0.70% Notes 2031[E]	473	496
€800 million 0.00% Notes 2025	798	797
€700 million 0.50% Notes 2029	695	694
€1,000 million 0.875% Notes 2033	991	990
€750 million 1.50% Notes 2041	746	746
Foreign currency bonds (swapped into euro)[D]:		
US$850 million 0.50% Notes 2023		747
US$650 million 0.80% Notes 2024	608	571
US$500 million 1.50% Notes 2027	466	439
Australian dollar denominated bonds:		
A$100 million 3.50% Notes 2024	66	68
A$30 million 4.166% Notes 2025	21	21
A$20 million 4.25% Notes 2025	14	14
A$30 million 4.125% Notes 2026	20	21
A$50 million 4.155% Notes 2028	36	36
A$133 million 2.45% Notes 2029	86	87
A$50 million 4.20% Notes 2031	36	37
A$187 million 4.20% Notes 2031	136	138
A$13 million 4.20% Notes 2031	9	10
Foreign currency bonds (swapped into Australian dollar or New Zealand dollar)[D]:		
US$25 million 4.34% Notes 2023	—	23
US$25 million 4.34% Notes 2023		23
NOK1 billion 3.04% Notes 2028	99	105
NOK750 million 2.75% Notes 2030	73	77
US$50 million 2.653% Notes 2030	47	45
JPY10 billion 4.15% Notes 2036[E]	74	90
JPY12.3 billion 1.06% Notes 2037[E]	71	83
Lease obligations	505	509
Total non-current borrowings	**10,571**	**11,790**

Notes to the consolidated financial statements continued

	Year ended 31 December	
	2022	2021
	€ million	€ million
Current:		
Euro denominated bonds:		
€350 million 2.625% Notes 2023	350	—
€700 million 0.75% Notes 2022[A]	—	700
Foreign currency bonds (swapped into euro)[D]:		
US$850 million 0.50% Notes due 2023	797	—
Australian dollar denominated bonds:		
A$200 million 3.375% Notes 2022[B]		129
A$30 million 5.06% Notes 2022[C]	—	20
A$125 million 3.125% Notes 2022[C]		81
Foreign currency bonds (swapped into New Zealand dollar)[D]:		
US$25 million 4.34% Notes 2023	24	—
EUR commercial paper	—	285
Bank overdraft	—	1
Lease obligations	141	134
Total current borrowings	**1,336**	**1,350**

(A) In January 2022, the Group repaid prior to maturity the outstanding amount related to the €700 million 0.75% Notes due in February 2022.
(B) In March 2022, the Group repaid on maturity the outstanding amount related to the A$200 million 3.375% Notes 2022 acquired as part of the Acquisition.
(C) In July 2022, the Group repaid on maturity the outstanding amounts related to the A$30 million 5.06% Notes 2022 and A$125 million 3.125% Notes 2022 acquired as part of the Acquisition.
(D) Cross currency swaps are used by the Group to swap foreign currency bonds into the required local currency.
(E) Bond designated in full or partially in a fair value hedge relationship.

During the year, the Group entered into interest rate swaps with notional value of €1 billion, which were designated in a fair value hedge relationship with euro denominated bonds. As at 31 December 2022, fair value adjustments in respect of those interest rate swaps are €(130) million, included within non-current borrowings.

Borrowings are stated net of unamortised financing fees of €33 million and €42 million, as at 31 December 2022 and 31 December 2021, respectively.

Interest expense recognised on lease liabilities totalled €14 million, €10 million and €4 million in 2022, 2021 and 2020, respectively.

Credit facilities

During 2022, the amount available under the Group's multi currency credit facility was €1.95 billion. This amount is available for borrowing with a syndicate of 13 banks. This credit facility matures in 2025 and is for general corporate purposes and supporting the Group's working capital needs. Based on information currently available, there is no indication that the financial institutions participating in this facility would be unable to fulfill their commitments to the Group as at the date of these consolidated financial statements. The Group's current credit facility contains no financial covenants that would impact its liquidity or access to capital. As at 31 December 2022, the Group had no amounts drawn under this credit facility.

Cash flows from financing activities

The following table provides a reconciliation of movements of liabilities to cash flows arising from financing activities:

	Current portion of borrowings	Borrowings, less current portion	Total
	€ million	€ million	€ million
As at 31 December 2020	**805**	**6,382**	**7,187**
Acquisition of CCL	381	1,251	1,632
Changes from financing cash flows			
Proceeds from third party borrowings, net	—	4,877	4,877
Changes in short-term borrowings[B]	276	—	276
Repayments on third party borrowings[A]	(950)	—	(950)
Payment of principal and interest on lease obligations	(149)	—	(149)
Other non-cash changes			
Amortisation of discount, premium and issue costs	—	(3)	(3)
Lease additions and other non-cash movements	39	83	122
Movement as a result of fair value hedges	6	9	15
Currency translation	33	100	133
Reclassifications	909	(909)	—
Total changes	**545**	**5,408**	**5,953**

Notes to the consolidated financial statements continued

	Current portion of borrowings € million	Borrowings, less current portion € million	Total € million
As at 31 December 2021	**1,350**	**11,790**	**13,140**
Changes from financing cash flows			
Changes in short-term borrowings[B]	(285)	—	(285)
Repayments on third party borrowings	(938)		(938)
Payment of principal and interest on lease obligations	(167)		(167)
Other financing activities	(1)	—	(1)
Other non-cash changes			
Amortisation of discounts, premium, issue costs and fair value adjustments	(1)	4	3
Lease additions and other non-cash movements	34	171	205
Movement as a result of fair value hedges	11	(172)	(161)
Currency translation		11	11
Reclassifications	1,333	(1,333)	
Total changes	**(14)**	**(1,219)**	**(1,233)**
As at 31 December 2022	**1,336**	**10,571**	**11,907**

(A) This line item includes the impact of the cross currency swap hedge from USD to EUR.
(B) In 2022, changes in short-term borrowings include €2,464 million of newly issued and €2,749 million of repaid EUR commercial paper. In 2021, changes in short-term borrowings included €700 million and €424 million of newly issued and repaid EUR commercial paper, respectively.

Cash flows from financing activities includes €32 million, €27 million and €24 million of cash received related to income on a cross currency swap for 2022, 2021 and 2020, respectively.

Total cash outflows for leases were €167 million, €149 million and €120 million for the years ended 31 December 2022, 31 December 2021 and 31 December 2020, respectively.

Note 15
Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the reporting period, which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade payables are non-interest bearing and are normally settled between 60 to 70 days.

The Group participates in various programmes and arrangements with customers designed to increase the sale of our products. The costs of these programmes are recorded as deductions from revenue. Among the programmes are arrangements under which allowances can be earned by customers for attaining agreed upon sales levels or for participating in specific marketing programmes. When these allowances are paid in arrears, the Group accrues the estimated amount to be paid based upon historical customer experience, the programme's contractual terms, expected customer performance and/or estimated sales volume. The costs of these off-invoice customer marketing costs totalled €5.2 billion, €4.1 billion and €3.2 billion for 2022, 2021 and 2020, respectively.

The following table summarises trade and other payables as at the dates presented:

	Year ended 31 December	
	2022 € million	2021 € million
Trade accounts payable[A]	2,221	1,691
Accrued customer marketing costs	1,346	1,160
Accrued deposits	288	264
Accrued compensation and benefits	500	482
Accrued taxes[B]	253	220
Other accrued expenses	442	420
Total trade and other payables	**5,052**	**4,237**

(A) Includes amounts of €212 million (2021: €266 million) which are part of a supply chain finance programme facilitated by the Group. The programme permits suppliers to elect on an invoice by invoice basis to receive a discounted payment from the partner bank earlier than the agreed payment terms with the Group. If a supplier makes this election, the value and the due date of the invoice payable by the Group remains unchanged.
(B) This line item includes a payable of €57 million to the Spanish tax authorities. Refer to Note 25 for further details.

Notes to the consolidated financial statements continued

Note 16
Post-employment benefits

The cost of providing benefits is determined using the projected unit credit method with actuarial valuations being carried out at the end of each annual reporting period. All remeasurements of the defined benefit obligation, such as actuarial gains and losses and return on plan assets, are recognised directly in other comprehensive income. Remeasurements recognised in other comprehensive income are reflected immediately in retained earnings and are not reclassified to profit or loss. Service cost is presented within cost of sales, selling and distribution expenses and administrative expenses in the consolidated income statement. Past service cost is recognised immediately within cost of sales, selling and distribution expenses and administrative expenses in the consolidated income statement. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. Net interest cost is presented within finance costs or finance income, as applicable, in the consolidated income statement. The defined benefit obligation recognised in the consolidated statement of financial position represents the present value of the estimated future cash outflows, using interest rates of high quality corporate bonds which have terms to maturity approximating the terms of the related liability.

The Group recognises termination benefits at the earlier of the following dates: (1) when the Group can no longer withdraw the offer of those benefits and (2) when the Group recognises costs for restructuring that is within the scope of IAS 37, "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for those benefits.

The following table summarises our non-current employee benefit liabilities as at the dates presented:

	Year ended 31 December					
	2022			2021		
	GB	Rest of world	Total	GB	Rest of world	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Retirement benefit obligation		77	77	—	103	103
Other employee benefit liabilities	—	31	31	—	35	35
Total non-current employee benefit liabilities	**—**	**108**	**108**	**—**	**138**	**138**

Defined benefit plans

The Group sponsors a number of defined benefit pension plans in Belgium, France, Germany, Great Britain, Luxembourg, Norway, Australia and Indonesia. The majority of the defined benefit plans are either career average, final salary or hybrid plans, and operate on a funded basis with assets held in external funds. The Group's Great Britain plan (GB Scheme) is the most significant.

The GB Scheme's defined benefit obligation includes benefits for current employees, former employees and current pensioners. The level of benefits provided (funded final salary pension) depends on the member's length of service and salary at retirement age. Part of the pension may be exchanged for a tax free cash lump sum. The GB Scheme was closed to new members with effect from 1 October 2005 and is administered by a board of trustees, which is legally separate from the Group. The board of trustees is composed of representatives of both the employer and employees. The board of trustees is required by law to act in the interest of all relevant beneficiaries and is responsible for the investment policy with regard to the assets plus the day to day administration of the benefits.

On 8 October 2020, the Group announced a proposal to close the GB Scheme to future accrual, which was implemented on 31 March 2021. The affected employees were offered to enrol in the Group's defined contribution scheme (DC scheme). Subsequent to the implementation of the closure of the GB Scheme, the members moved from active to deferred status, with future indexation of deferred pensions before retirement measured by reference to the consumer price index (CPI).

A full actuarial valuation of the GB Scheme occurs on a triennial basis by a qualified external actuary, which is used as the basis of determining the Group's future contributions to the plan. The latest triennial valuation was carried out as at 5 April 2022 and has been updated to 31 December 2022 to reflect our defined benefit obligation, for known events and changes in market conditions as allowed under IAS 19, "Employee Benefits".

Risks

The Group's defined benefit pension schemes expose the Group to a number of risks, including:

- Asset volatility – the plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield, a deficit would occur. Some of our plans hold a significant proportion of growth assets (equities and property) which, though expected to outperform corporate bonds in the long term, create volatility and risk in the short term. The allocation to growth assets is monitored to ensure it remains appropriate given each scheme's long-term objectives.
- Changes in bond yields – a decrease in corporate bond yields will increase the defined benefit liability, although this will be partially offset by an increase in the value of the plan's bond holdings.
- Inflation risk – a significant proportion of our benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.
- Life expectancy – the majority of our plans have an obligation to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the defined benefit liabilities.

Notes to the consolidated financial statements continued

Benefit costs

The following table summarises the expense related to pension plans recognised in the consolidated income statement for the years presented:

	Year ended 31 December								
	2022			2021			2020		
	GB	Rest of world	Total	GB	Rest of world	Total	GB	Rest of world	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Service cost		18	18	10	16	26	37	15	52
Past service (credit)/cost[A]		(2)	(2)	(29)	6	(23)	—	—	—
Net interest (income)/cost	(2)	1	(1)	1	1	2	1	1	2
Administrative expenses	—	1	1	1	1	2	2	—	2
Total cost	**(2)**	**18**	**16**	**(17)**	**24**	**7**	**40**	**16**	**56**

(A) Predominantly comprised of the impact of a plan amendment arising from legislative changes in respect of the minimum retirement age in Indonesia.

Other comprehensive income

The following table summarises the changes in other comprehensive income related to our pension plans for the years presented:

	Year ended 31 December								
	2022			2021			2020		
	GB	Rest of world	Total	GB	Rest of world	Total	GB	Rest of world	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Actuarial (gain)/loss on defined benefit obligation arising during the period	(772)	(125)	(897)	(60)	(6)	(66)	159	1	160
Return on plan assets less/(greater) than discount rate	808	74	882	(177)	(58)	(235)	(72)	(17)	(89)
Net charge to other comprehensive income	**96**	**(51)**	**45**	**(237)**	**(64)**	**(301)**	**87**	**(16)**	**71**

Benefit obligation and fair value of plan assets

The following table summarises the changes in the pension plan benefit obligation and the fair value of plan assets for the periods presented:

	Year ended 31 December					
	2022			2021		
	GB	Rest of world	Total	GB	Rest of world	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Reconciliation of benefit obligation:						
Benefit obligation at beginning of plan year	**1,739**	**674**	**2,413**	**1,733**	**607**	**2,340**
Service cost		18	18	10	16	26
Past service (credit)/cost		(2)	(2)	(29)	6	(23)
Interest costs on defined benefit obligation	32	7	39	31	5	36
Plan participants contribution		28	28	—	59	59
Actuarial loss/(gain) – experience	26	7	33	1	1	2
Actuarial loss/(gain) – demographic assumptions	2	—	2	(1)	(1)	(2)
Actuarial (gain)/loss – financial assumptions	(740)	(132)	(872)	(60)	(6)	(66)
Benefit payments	(57)	(72)	(129)	(69)	(81)	(150)
Administrative expenses	—	1	1	1	1	2
Acquisition of CCL	—	—	—	—	66	66
Currency translation adjustments	(65)	—	(65)	122	1	123
Benefit obligation at end of plan year	**937**	**529**	**1,466**	**1,739**	**674**	**2,413**
Reconciliation of fair value of plan assets:						
Fair value of plan assets at beginning of plan year	**1,840**	**664**	**2,504**	**1,568**	**564**	**2,132**
Interest income on plan assets	34	6	40	30	4	34
Return on plan assets (less)/greater than discount rate	(806)	(76)	(882)	177	58	235
Plan participants contributions	—	28	28	—	59	59
Employer contributions	11	21	32	19	20	39
Benefit payments	(57)	(72)	(129)	(69)	(81)	(150)
Acquisition of CCL	—	—	—	—	40	40
Currency translation adjustment	(68)	(1)	(69)	115	—	115
Fair value of plan assets at end of plan year	**952**	**572**	**1,524**	**1,840**	**664**	**2,504**

Notes to the consolidated financial statements continued

Timing of benefit payments

The weighted average duration of the defined benefit plan obligation as at 31 December 2022 is 16 years, including 17 years for the GB Scheme. The weighted average duration of the defined benefit plan obligation as at 31 December 2021 was 20 years, including 22 years for the GB Scheme.

Retirement benefit status

The following table summarises the retirement benefit status of pension plans as at the dates presented:

	Year ended 31 December					
	2022			2021		
	GB	Rest of world	Total	GB	Rest of world	Total
	€ million	€ million	€ million	€ million	€ million	€ million
Net benefit status:						
Present value of obligation	(934)	(532)	(1,466)	(1,739)	(674)	(2,413)
Fair value of assets	952	572	1,524	1,840	664	2,504
Net benefit status:	**15**	**43**	**58**	**101**	**(10)**	**91**
Retirement benefit surplus (Note 25)	15	120	135	101	93	194
Retirement benefit obligation	—	(77)	(77)	—	(103)	(103)

The surplus for 2022 is primarily related to the defined benefit plans in Germany and Belgium as well as the GB Scheme. The surplus is recognised on the balance sheet on the basis that the Group is entitled to a refund of any remaining assets once all members have left the plan.

Actuarial assumptions

The following tables summarise the weighted average actuarial assumptions used to determine the benefit obligations of pension plans as at the dates presented:

	Year ended 31 December					
	2022			2021		
	GB	Rest of world	Average	GB	Rest of world	Average
Financial assumptions	%	%	%	%	%	%
Discount rate	4.8	4.0	4.5	1.9	1.4	1.8
Rate of compensation increase	N/A	3.6	3.6	N/A	3.2	3.2
Rate of price inflation	3.3	2.4	3.0	3.4	2.1	3.1

	Year ended 31 December					
	2022			2021		
Demographic assumptions (weighted average)[A]	GB	Rest of world	Average	GB	Rest of world	Average
Retiring at the end of the reporting period						
Male	21.9	19.8	21.3	21.9	24.3	22.4
Female	24.4	23.1	24.0	24.4	27.7	25.0
Retiring 15 years after the end of the reporting period						
Male	22.8	20.0	22.1	22.8	25.4	23.3
Female	25.5	23.5	24.9	25.5	28.5	26.1

(A) These assumptions translate into an average life expectancy in years, post-retirement, for an employee retiring at age 65.

The following tables summarise the sensitivity of the defined benefit obligation to changes in the weighted average principal assumptions for the periods presented:

		Year ended 31 December 2022					
		Impact on defined benefit obligation (%)					
		Increase in assumption			Decrease in assumption		
Principal assumptions	**Change in assumption**	**GB**	**Rest of world**	**Average**	**GB**	**Rest of world**	**Average**
Discount rate	0.5%	(7.9)	(4.0)	(6.5)	8.6	4.4	7.1
Rate of compensation increase[A]	0.5%	N/A	1.6	0.6	N/A	(1.4)	(0.5)
Rate of price inflation	0.5%	3.9	3.1	3.6	(3.8)	(2.9)	(3.4)
Mortality rates	1 year	3.0	1.4	2.5	(2.8)	(1.7)	(2.4)

		Year ended 31 December 2021					
		Impact on defined benefit obligation (%)					
		Increase in assumption			Decrease in assumption		
Principal assumptions	**Change in assumption**	**GB**	**Rest of world**	**Average**	**GB**	**Rest of world**	**Average**
Discount rate	0.5%	(9.9)	(4.8)	(8.5)	11.4	5.3	9.7
Rate of compensation increase[A]	0.5%	N/A	1.7	0.5	N/A	(1.5)	(0.4)
Rate of price inflation	0.5%	7.8	3.8	6.7	(6.8)	(3.5)	(5.9)
Mortality rates	1 year	4.0	2.1	3.5	(4.0)	(2.1)	(3.4)

(A) The compensation increase assumption is no longer applicable to the valuation of the defined benefit obligation associated with the GB Scheme in light of the plan closure effective 31 March 2021.

Notes to the consolidated financial statements continued

The sensitivity analyses have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

Pension plan assets

There are formal investment policies for the assets associated with our pension plans. Policy objectives include: (1) maximising long-term return at acceptable risk levels; (2) diversifying among asset classes, if appropriate, and among investment managers; and (3) establishing relevant risk parameters within each asset class. Investment policies reflect the unique circumstances of the respective plans and include requirements designed to mitigate risk, including quality and diversification standards. Asset allocation targets are based on periodic asset liability and/or risk budgeting study results, which help determine the appropriate investment strategies for acceptable risk levels. The investment policies permit variances from the targets within certain parameters.

The following table summarises pension plan assets measured at fair value as at the dates presented:

	Year ended 31 December 2022					Year ended 31 December 2021				
	Total	Investments quoted in active markets		Unquoted investments		Total	Investments quoted in active markets		Unquoted investments	
		GB	Rest of world	GB	Rest of world		GB	Rest of world	GB	Rest of world
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Equity securities[A]	185		185			221	—	221	—	—
Fixed income securities:[B]										
Corporate bonds and notes	56		56			54	—	54	—	—
Government bonds[C]	692	1,131	28	(467)	—	1,506	1,476	30	—	—
Cash and other short-term investments[D]	28	23	5	—	—	6	1	5	—	—
Other investments:										
Real estate funds[E]	274	40	15	216	—	346	—	39	306	1
Insurance contracts[F]	207				207	240	—	—	—	240
Investment funds[G]	76	—	5	—	71	73	—	—	—	73
Derivatives[H]	6	5		1		58	—	—	57	1
Total	**1,524**	**1,202**	**294**	**(250)**	**278**	**2,504**	**1,477**	**349**	**363**	**315**

(A) Equity securities are comprised of ordinary shares and investments in equity funds. Investments in ordinary shares are valued using quoted market prices multiplied by the number of shares owned. Investments in equity funds are valued at the net asset value per share, which is calculated predominantly based on the underlying quoted investments market price, multiplied by the number of shares held as of the measurement date.
(B) The fair values of the fixed income securities are determined based on quoted market prices in active markets. Bonds are held mainly in the currency of the geography of the plan.
(C) The unquoted amounts within this category relate to repurchase agreements (where the Scheme has sold government bonds with the agreement to repurchase at a fixed date and price). The commitment to repurchase the government bonds reduces the pension assets and are valued at the fair value based on the fixed repurchase price. The assets sold are reported at their fair value reflecting that the Scheme retains the risks and rewards of ownership of those assets. The asset portfolio of the GB Scheme was refined during 2022 by entering into repurchase agreement of government bonds in order to better match the Scheme liability and to offset the exposure to interests and inflation rates, whilst remaining invested in the assets of similar risk profile.
(D) Cash and other short-term investments are valued at €1.00/unit, which approximates fair value. Amounts are generally invested in cash or interest bearing accounts.
(E) The valuation of unquoted real estate funds is based on net assets value per share multiplied by the number of shares owned. For quoted real estate funds, the calculation is based on the underlying quoted investments market price, multiplied by the number of shares held as of the measurement date.
(F) Insurance contracts exactly match the amount and timing of certain benefits, therefore the fair value of these insurance policies is deemed to be the present value of the related obligations.
(G) Primarily includes investments in equity securities, fixed income securities and combinations of both. Fair values are sourced from broker quotes.
(H) Derivatives are comprised of futures and return swaps the fair values of which are not based on quoted market prices in active markets.

Notes to the consolidated financial statements continued

Contributions
To support a long-term funding arrangement, during 2019 the Group entered into a partnership agreement with the GB Scheme, the CCEP Scottish Limited Partnership (the Partnership). Certain property assets in Great Britain, with a market value of £171 million were transferred into the Partnership and subsequently leased back to the Group's operating subsidiary in Great Britain. The GB Scheme receives semi-annual distributions from the Partnership, increasing each year at a fixed cumulative rate of 3% through to 2034. The Group exercises control over the Partnership and as such it is fully consolidated in these consolidated financial statements. Under IAS 19, the investment held by the GB Scheme in the Partnership does not represent a plan asset for the purposes of these consolidated financial statements. Similarly, the associated liability is not included in the consolidated statement of financial position, rather the distributions are recognised when paid as a contribution to the plan assets of the scheme.

Contributions to pension plans totalled €32 million, €39 million and €52 million during the years ended 31 December 2022, 31 December 2021 and 31 December 2020, respectively. Included within the 2022 contribution is €11 million relating to the Partnership agreement. The Group expects to make contributions of €30 million for the full year ending 31 December 2023.

Other employee benefit liabilities
In certain territories, the Group has an early retirement programme designed to create an incentive for employees, within a certain age group, to transition from (full or part time) employment into retirement before their legal retirement age. Furthermore, the Group also sponsors deferred compensation plans in other territories. The current portion of these liabilities totalled €8 million and €10 million as at 31 December 2022 and 31 December 2021, respectively, and is included within the current portion of employee benefit liabilities. The non-current portion of these liabilities totalled €31 million and €35 million as at 31 December 2022 and 31 December 2021, respectively, and is included within employee benefit liabilities.

Defined contribution plans
The Group sponsors a number of defined contribution plans across its territories. Contributions payable for the period are charged to the consolidated income statement as an operating expense for defined contribution plans. Contributions to these plans totalled €79 million for the year ended 31 December 2022, €62 million for the year ended 31 December 2021 and €34 million for the year ended 31 December 2020.

Note 17
Equity
Share capital
As at 31 December 2022, the Company has issued and fully paid 457,106,453 Shares. Shares in issue have one voting right each and no restrictions related to dividends or return of capital.

	Number of Shares millions	Share capital € million
As at 1 January 2020	**456**	**5**
Issuances of Shares	2	—
Cancellation of Shares	(3)	—
As at 31 December 2020	**455**	**5**
Issuance of Shares	1	—
Cancellation of Shares	—	—
As at 31 December 2021	**456**	**5**
Issuance of Shares	1	
Cancellation of Shares	—	—
As at 31 December 2022	**457**	**5**

The number of Shares increased in 2022, 2021 and 2020 from the issue of 871,421, 1,589,522 and 1,310,833 Shares, respectively, following the exercise of share-based payment awards.

In connection with the Company's share buyback programmes 3,065,200 shares were cancelled in 2020. No shares were repurchased in 2022 and 2021.

Share premium
The share premium account increased by cash received for the exercise of options by €14 million in 2022, €28 million in 2021 and €14 million in 2020.

Merger reserves
The consideration transferred to acquire CCIP and CCEG qualified for merger relief under the Companies Act. As such, the excess consideration transferred over nominal value of €287 million was required to be excluded from the share premium account and recorded to merger reserves.

Notes to the consolidated financial statements continued

Other reserves

The following table summarises the balances in other reserves (net of tax) as at the dates presented:

	Year ended 31 December		
	2022	2021	2020
	€ million	€ million	€ million
Cash flow hedge reserve	104	151	20
Net investment hedge reserve	197	197	197
Foreign currency translation adjustment reserve	(708)	(509)	(754)
Reserve related to the acquisition of non-controlling interests	(79)	—	—
Other reserves[A]	(21)	5	—
Total other reserves	**(507)**	**(156)**	**(537)**

(A) Other reserves relates to cost of hedging which represents forward point on spot designations, time value of options and currency basis.

Movements, including the tax effects, in these accounts through to 31 December 2022 are included in the consolidated statement of comprehensive income.

Dividends

Dividends are recorded within the Group's consolidated financial statements in the period in which they are paid.

	Year ended 31 December		
	2022	2021	2020
	€ million	€ million	€ million
First half dividend[A]	256	—	—
Second half dividend[B]	507	638	386
Total dividend on ordinary shares paid	**763**	**638**	**386**

(A) Dividend of €0.56 per Share was paid in first half of 2022.
(B) Dividend of €1.12 per Share was paid in second half of 2022.
A full year dividend of €1.40 per Share and €0.85 per Share were paid in 2021 and 2020, respectively.

Dividends attributable to restricted stock units and performance share units that are unvested at the period end date are accrued accordingly. During 2022, an incremental dividend accrual of €3 million has been recognised (2021: €1 million, 2020: €1 million).

Non-controlling interest

In December 2022, the Group entered into a share purchase agreement (SPA) with TCCC to acquire the remaining 29.4% ownership interest of its subsidiary, PT Coca-Cola Bottling Indonesia, for a total consideration of €282 million. The acquisition is expected to be completed in the first quarter of 2023, following the resolution of customary conditions (refer to Note 27 for further details). As at 31 December 2022, the non-controlling interest of €205 million has been derecognised, other reserves have been decreased by €77 million and a redemption liability of €282 million has been recorded within the Amounts payable to related parties line of our consolidated statement of financial position.

As at 31 December 2021, equity attributable to non-controlling interest was €177 million representing 29.4% of PT Coca-Cola Bottling Indonesia held by TCCC and 6.1% of Samoa Breweries Limited held by numerous investors.

Note 18
Total operating costs

The following tables summarise the significant cost items by nature within operating costs for the years presented:

	Year ended 31 December		
	2022	2021	2020
	€ million	€ million	€ million
Transportation costs[A]	857	631	447
Employee benefits	1,110	975	788
Depreciation of property, plant and equipment, excluding restructuring	246	245	219
Amortisation of intangible assets	7	4	1
Restructuring charges, including accelerated depreciation[B]	-	45	58
Other selling and distribution expenses	769	596	426
Total selling and distribution expenses	**2,984**	**2,496**	**1,939**
Transportation costs[A]	16	2	2
Employee benefits	544	462	353
Depreciation of property, plant and equipment, excluding restructuring	99	76	45
Amortisation of intangible assets	94	83	53
Acquisition related costs	8	49	11
Restructuring charges, including accelerated depreciation[B]	143	91	248
Other administrative expenses	356	311	271
Total administrative expenses	**1,250**	**1,074**	**983**
Total operating expenses	**4,234**	**3,570**	**2,922**

(A) Transportation costs include warehousing and delivery costs to the final customer destination. They exclude depreciation and amortisation.
(B) See restructuring costs on page 192.

Notes to the consolidated financial statements continued

	Year ended 31 December		
	2022	2021	2020
(B) Restructuring costs	**€ million**	**€ million**	**€ million**
Increase in provision for restructuring programmes (Note 23)	115	93	242
Amount of provision unused (Note 23)	(8)	(13)	(7)
Accelerated depreciation and non-cash costs	44	60	121
Other cash costs[A]	12	13	12
Total restructuring costs	**163**	**153**	**368**
Restructuring costs by function:			
Cost of sales	19	17	62
Selling and distribution expenses	1	45	58
Administrative expenses	143	91	248

(A) Other cash costs primarily relate to professional fees, which include consultancy costs, legal fees and other costs directly associated with restructuring.

Restructuring costs charged in arriving at operating profit for the years presented include restructuring costs arising under the following programmes and initiatives:

Accelerate Competitiveness

In October 2020, the Group announced a number of proposals aimed at improving productivity through the use of technology enabled solutions. Included in these proposals was the closure of certain production facilities, including Liederbach and Sodenthaler in Germany and Malaga in Iberia. These proposals continue the focus on network optimisation and site rationalisation of the Group, with the majority of the impacted activities to be transferred within our network of facilities in each respective territory.

The proposals are also expected to impact a number of functions across the Group, including business process technology, customer service, sales and marketing, and finance as the Group seeks to reduce complexity, improve efficiency and increase the use of technology.

In 2022, as part of the continuation of this programme, the Group announced additional restructuring proposals, mainly related to the transformation of the full service vending operations and related initiatives in Germany. These initiatives resulted in €82 million of restructuring charges primarily related to expected severance costs.

During the year ended 31 December 2022, the Group incurred total restructuring charges related to this programme of €145 million, primarily made up of expected severance costs and accelerated depreciation.

Staff costs

Staff costs included within the income statement were as follows:

	Year ended 31 December		
	2022	2021	2020
Employee costs	**€ million**	**€ million**	**€ million**
Wages and salaries	1,769	1,544	1,253
Social security costs	316	302	283
Pension and other employee benefits	233	170	119
Total employee costs	**2,318**	**2,016**	**1,655**

Directors' remuneration information is disclosed in the Directors' remuneration report.

The average number of persons employed by the Group (including Directors) for the periods presented were as follows:

	2022	2021	2020
	No. in thousands	**No. in thousands**	**No. in thousands**
Commercial	12.5	10.9	7.3
Supply chain	16.5	14.9	12.4
Support functions	4.1	3.9	2.5
Total average staff employed	**33.1**	**29.7**	**22.2**

Notes to the consolidated financial statements continued

Auditor's remuneration

Audit and other fees charged in the income statement concerning the statutory auditor of the consolidated financial statements, Ernst & Young LLP, were as follows:

	Year ended 31 December		
	2022	2021	2020
	€ thousand	€ thousand	€ thousand
Audit of Parent Company and consolidated financial statements[A]	3,136	4,751	3,149
Audit of the Company's subsidiaries	6,248	5,493	3,046
Total audit	**9,384**	**10,244**	**6,195**
Audit-related assurance services[B]	1,002	1,234	909
Other assurance services	213	313	279
Total audit and audit-related assurance services	**10,599**	**11,791**	**7,383**
All other services[C]	47	35	30
Total non-audit or non-audit-related assurance services	**47**	**35**	**30**
Total audit and all other fees	**10,646**	**11,826**	**7,413**

(A) Fees in respect of the audit of the accounts of the Company, including the Group's consolidated financial statements.
(B) Includes professional fees for interim reviews, reporting on internal financial controls, services related to the transactions entered into with TCCC, issuance of comfort letters for debt issuances, regulatory inspections, certain accounting consultations and other attest engagements.
(C) Represents fees for all other allowable services.

Note 19
Finance costs

Finance costs are recognised in the consolidated income statement in the period in which they are incurred, with the exception of general and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Borrowing costs are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised within the consolidated income statement in the period in which they are incurred based upon the effective interest rate method. Interest income is recognised using the effective interest rate method.

The following table summarises net finance costs for the years presented:

	Year ended 31 December		
	2022	2021	2020
	€ million	€ million	€ million
Interest income[A]	67	43	33
Interest expense on external debt[A]	(167)	(153)	(132)
Other finance costs[B]	(19)	(19)	(12)
Total finance costs, net	**(114)**	**(129)**	**(111)**

(A) Includes interest income and expense amounts, as applicable, on cross currency swaps and interest rate swaps. Cross currency swap and interest rate swap income totalled €50 million, €27 million and €24 million in 2022, 2021 and 2020, respectively. Cross currency swap and interest rate swap expense totalled €31 million, €14 million and €12 million in 2022, 2021 and 2020, respectively. Refer to Note 13 for further details.
(B) Other finance costs principally includes amortisation of the discount on external debt and interest on leases.

Note 20
Related party transactions

For the purpose of these consolidated financial statements, transactions with related parties mainly comprise transactions between subsidiaries of the Group and the related parties of the Group.

Transactions with entities with significant influence over the Group

Transactions with TCCC

TCCC exerts significant influence over the Group, as defined by IAS 24, "Related Party Disclosures". As at 31 December 2022, 19.24% of the total outstanding Shares in the Group were owned by European Refreshments, a wholly owned subsidiary of TCCC. The Group is a key bottler of TCCC products and has entered into bottling agreements with TCCC to make, sell and distribute products of TCCC within the Group's territories. The Group purchases concentrate from TCCC and also receives marketing funding to help promote the sale of TCCC products. The Group's agreements with TCCC in each territory are for 10 year terms and each contains the right for the Group to request a 10 year renewal. The existing bottling agreements expire no earlier than 1 September 2025. Additionally, two of the Group's 17 Directors are nominated by TCCC.

The Group and TCCC engage in a variety of marketing programmes to promote the sale of TCCC products in territories in which the Group operates. The Group and TCCC operate under an incidence based concentrate pricing model and funding programme across most territories, the terms of which are tied to the bottling agreements. In certain API territories, the Group operates under a fixed price model with marketing rebates and support.

TCCC makes discretionary marketing contributions under shared marketing agreements to CCEP's operating subsidiaries. Amounts to be paid to the Group by TCCC under the programmes are generally determined annually and are periodically reassessed as the programmes progress. Under the bottling agreements, TCCC is under no obligation to participate in the programmes or continue past levels of funding in the future. The amounts paid and terms of similar programmes with other franchises may differ.

Notes to the consolidated financial statements continued

Marketing support funding programmes granted to the Group provide financial support principally based on product sales or on the completion of stated requirements and are intended to offset a portion of the costs of the programmes.

Payments from TCCC for marketing programmes to promote the sale of products are classified as a reduction in cost of sales, unless the presumption that the payment is a reduction in the price of the franchisors' products can be overcome. Payments for marketing programmes are recognised as product is sold.

The following table summarises the transactions with TCCC that directly impacted the consolidated income statement for the years presented:

	Year ended 31 December		
	2022	2021	2020
	€ million	€ million	€ million
Amounts affecting revenue[A]	117	50	50
Amounts affecting cost of sales[B]	(3,805)	(3,056)	(2,555)
Amounts affecting operating expenses[C]	19	9	8
Total net amount affecting the consolidated income statement	**(3,669)**	**(2,997)**	**(2,497)**

(A) Amounts principally relate to fountain syrup and packaged product sales.
(B) Amounts principally relate to the purchase of concentrate, syrup, mineral water and juice, as well as funding for marketing programmes.
(C) Amounts principally relate to certain costs associated with new product development initiatives and reimbursement of certain marketing expenses.

The following table summarises the transactions with TCCC that impacted the consolidated statement of financial position for the periods presented:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Amounts due from TCCC	130	135
Amounts payable to TCCC	442	189

In December 2022, the Group entered into a share purchase agreement (SPA) with TCCC to acquire the remaining 29.4% ownership interest of its subsidiary, PT Coca-Cola Bottling Indonesia, for a total consideration of €282 million. The acquisition is expected to be completed in the first quarter of 2023, following the resolution of customary conditions (refer to Note 27 for further details). As at 31 December, we have recognised a redemption liability equalling the consideration amount, which is reflected within the amounts payable to related parties line of our consolidated statement of financial position.

In February 2022, the Group entered into asset sale arrangements with TCCC, pursuant to which, the Group agreed to sell certain non-alcoholic ready to drink beverage brands predominantly available in Australia and New Zealand, which were acquired as part of the business combination transaction consummated on 10 May 2021, for a total consideration approximating €182 million. The sale price approximated the fair value of the brands assessed at the acquisition date. These brands were classified as assets held for sale in our consolidated statement of financial position as at 31 December 2021. During the first half of 2022, the Group partially completed the asset sale transaction and expects to finalise the remaining portion during 2023. The remaining part of the transaction was initially expected to be finalised by the end of 2022, however, due to certain administrative procedures required to be performed, the completion was extended to the first half of 2023. The Group has also entered into commercial agreements with TCCC to facilitate ongoing manufacturing, distributing and/or selling activities pertaining to these brands. The consideration relating to the brands which are yet to be sold to TCCC amounts to €40 million and those brands are classified as assets held for sale in our consolidated statement of financial position as at 31 December 2022.

Terms and conditions of transactions with TCCC

Outstanding balances on transactions with TCCC are unsecured, interest free and generally settled in cash. Receivables from TCCC are considered to be fully recoverable.

Transactions with Cobega companies

Cobega, S.A. (Cobega) exhibits significant influence over the Group, as defined by IAS 24, "Related Party Disclosures". As at 31 December 2022, 20.87% of the total outstanding Shares in the Group were indirectly owned by Cobega through its ownership interest in Olive Partners, S.A. Additionally, five of the Group's 17 Directors, including the Chairman, are nominated by Olive Partners, three of whom are affiliated with Cobega.

The principal transactions with Cobega are for the purchase of packaging materials and maintenance services for vending machines. The following table summarises the transactions with Cobega that directly impacted the consolidated income statement for the years presented:

	Year ended 31 December		
	2022	2021	2020
	€ million	€ million	€ million
Amounts affecting revenue[A]	2	1	1
Amounts affecting cost of sales[B]	(76)	(49)	(43)
Amounts affecting operating expenses[C]	(17)	(11)	(8)
Total net amount affecting the consolidated income statement	**(91)**	**(59)**	**(50)**

(A) Amounts principally relate to packaged product sales.
(B) Amounts principally relate to the purchase of packaging materials and concentrate.
(C) Amounts principally relate to maintenance and repair services and transportation.

Notes to the consolidated financial statements continued

The following table summarises the transactions with Cobega that impacted the consolidated statement of financial position for the periods presented:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Amounts due from Cobega	3	2
Amounts payable to Cobega	24	19

Terms and conditions of transactions with Cobega

Outstanding balances on transactions with Cobega are unsecured, interest free and generally settled in cash. Receivables from Cobega are considered to be fully recoverable.

Other related parties

Transactions with associates, joint ventures and other related parties

Joint venture investments relate to interests in a manufacturer of alcoholic beverages (divested during the first half of 2022), a service provider supporting the operation of container refund schemes in certain Australian states and a PET recycling plant in Indonesia.

Associate investments relate to interests in deposit scheme coordinators and a holding company of container deposit schemes in certain Australian states and territories. Associate investments also include the Group's equity interests in early stage development companies as part of CCEP Ventures.

Other related parties include coordinators of container deposit schemes in certain Australian states over which significant influence is held.

The following table summarises the transactions with associates, joint ventures and other related parties:

	Year ended 31 December		
	2022	2021	2020
	€ million	€ million	€ million
Net amounts affecting consolidated income statement – associates[A]	(73)	(49)	—
Net amounts affecting consolidated income statement – joint ventures[B]	(9)	(9)	—
Net amounts affecting consolidated income statement – other related parties[A]	(85)	(52)	—
Total net amount affecting the consolidated income statement	**(167)**	**(110)**	**—**

(A) Amounts principally relate to container deposit scheme charges in Australia.
(B) Amounts principally relate to the purchase of finished products and resin.

The following table summarises the balances with associates, joint ventures and other related parties:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Amounts due from associates	6	6
Amounts payable to associates	9	—
Amounts payable to joint ventures	—	2
Amounts payable to other related parties	10	—

Terms and conditions of transactions with associates, joint ventures and other related parties

Outstanding balances on transactions are unsecured, interest free and generally settled in cash. Receivables are considered to be fully recoverable.

Refer to Note 28 for a listing of associates, joint ventures and other related parties.

Transactions with key management personnel

Key management personnel are the members of the Board of Directors and the members of the Executive Leadership Team. The following table summarises the total remuneration paid or accrued during the reporting period related to key management personnel:

	Year ended 31 December		
	2022	2021	2020
	€ million	€ million	€ million
Salaries and other short-term employee benefits[A]	30	22	20
Post-employment benefits	—	—	1
Share-based payments	15	7	6
Termination benefits	—	—	5
Total	**45**	**29**	**32**

(A) Short-term employee benefits include wages, salaries and social security contributions, paid annual leave and paid sick leave, paid bonuses and non-monetary benefits.

The Group did not have any loans with key management personnel and was not party to any other transactions with key management personnel during the periods presented.

Notes to the consolidated financial statements continued

Note 21
Income taxes

Current tax

Current tax for the period includes amounts expected to be payable on taxable income in the period together with any adjustments to taxes payable in respect of previous periods, and is determined based on the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is determined by identifying the temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax for the period includes origination and reversal of temporary differences, remeasurements of deferred tax balances and adjustments in respect of prior periods.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of taxable temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- In respect of deductible temporary differences associated with investments in subsidiaries, branches and associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Income tax is recognised in the consolidated income statement. Income tax is recognised in other comprehensive income or directly in equity to the extent that it relates to items recognised in other comprehensive income or in equity.

2022, 2021 and 2020 results

The following table summarises the major components of income tax expense for the periods presented:

	Year ended 31 December		
	2022 € million	2021 € million	2020 € million
Current tax:			
Current tax charge	460	323	230
Adjustment in respect of current tax from prior periods	(37)	(53)	3
Total current tax	**423**	**270**	**233**
Deferred tax:			
Relating to the origination and reversal of temporary differences	35	6	(73)
Adjustment in respect of deferred income tax from prior periods	(22)	(9)	(6)
Relating to changes in tax rates or the imposition of new taxes	—	127	43
Total deferred tax	**13**	**124**	**(36)**
Income tax charge per the consolidated income statement	**436**	**394**	**197**

Notes to the consolidated financial statements continued

The following table summarises the taxes on items recognised in other comprehensive income (OCI) and directly within equity for the periods presented:

	Year ended 31 December		
	2022	2021	2020
	€ million	€ million	€ million
Taxes charged/(credited) to OCI:			
Deferred tax on net gain/loss on revaluation of cash flow hedges	(20)	63	(4)
Deferred tax on net gain/loss on pension plan remeasurements	(11)	63	(16)
Current tax on net gain/loss on pension plan remeasurements		1	—
Total taxes charged/(credited) to OCI	**(31)**	**127**	**(20)**
Taxes charged/(credited) to equity:			
Deferred tax charge/(credit): share-based compensation	(2)	(3)	1
Current tax charge/(credit): share-based compensation	(8)	—	(3)
Total taxes charged/(credited) to equity	**(10)**	**(3)**	**(2)**

The effective tax rate was 22.3%, 28.5% and 28.3% for the years ended 31 December 2022, 31 December 2021 and 31 December 2020, respectively. The parent company of the Group is a UK company.

Accordingly, the following tables provide reconciliations of the Group's income tax expense at the UK statutory tax rate to the actual income tax expense for the periods presented:

	Year ended 31 December		
	2022	2021	2020
	€ million	€ million	€ million
Accounting profit before tax from continuing operations	**1,957**	**1,382**	**695**
Tax expense at the UK statutory rate	371	262	132
Taxation of foreign operations, net[A]	115	72	23
Non-deductible expense items for tax purposes	7	2	6
Rate and law change impact, net[B][C][D]	—	127	43
Deferred taxes not recognised	7	(7)	(4)
Adjustment in respect of prior periods[E]	(59)	(62)	(3)
Total provision for income taxes	**436**	**394**	**197**

(A) This reflects the impact, net of income tax contingencies, of having operations outside the UK, which are taxed at rates other than the statutory UK rate of 19% (2021: 19%, 2020: 19%). In prior periods, this included the benefit of some income being fully or partially exempt from income taxes due to various operating and financing activities.
(B) In 2021, the UK enacted a law change that increased its tax rate to 25% with effect from 1 April 2023. The Group recognised a deferred tax expense of €123 million to reflect the impact of this change.
(C) In 2021, the Netherlands enacted a law change that increased its tax rate to 25.8% with effect from 1 January 2022. The Group recognised a deferred tax expense of €2 million to reflect the impact of this change.
(D) In 2021, Indonesia enacted a law change that retained its tax rate of 22% with effect from 1 January 2022, reversing a previously enacted decrease to 20%. The Group recognised a deferred tax expense of €2 million to reflect the impact of this change.
(E) The prior year adjustment is principally due to the reassessment of our uncertain tax positions and release of tax reserves that are no longer required primarily due to expiration of statute of limitations.

Notes to the consolidated financial statements continued

Deferred income taxes

The following table summarises the movements in the carrying amounts of deferred tax liabilities and assets by significant component during the periods presented:

	Franchise and other intangible assets	Property, plant and equipment	Financial assets and liabilities	Tax losses	Employee and retiree benefit accruals	Tax credits	Other, net	Total, net
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
As at 31 December 2020	**1,982**	**187**	**(6)**	**(6)**	**(89)**	**(10)**	**49**	**2,107**
Amount charged/(credited) to income statement (excluding effect of tax rate changes)	1	2	(1)	(4)	8	(2)	(7)	**(3)**
Effect of tax rate changes on income statement	106	8	1	—	12	—	—	**127**
Amounts charged/(credited) directly to OCI	—	—	63	—	63	—	—	**126**
Amount charged/(credited) to equity	—	—	—	—	(3)	—	—	**(3)**
Acquired through business combinations	1,174	51	(19)	(4)	(6)	—	(20)	**1,176**
Effect of movements in foreign exchange	22	3	(2)	—	1	—	3	**27**
As at 31 December 2021	**3,285**	**251**	**36**	**(14)**	**(14)**	**(12)**	**25**	**3,557**
Amount charged/(credited) to income statement (excluding effect of tax rate changes)	(4)	(11)	5	7	5	—	11	**13**
Amounts charged/(credited) directly to OCI			(20)		(11)			**(31)**
Amount charged/(credited) to equity	—	—	—	—	(2)	—	—	**(2)**
Acquired through business combinations	(4)	2						**(2)**
Balance sheet reclassifications	(1)	(2)	(1)	(4)	—	—	4	**(4)**
Effect of movements in foreign exchange	(22)	(4)	(3)		(1)		(9)	**(39)**
As at 31 December 2022	**3,254**	**236**	**17**	**(11)**	**(23)**	**(12)**	**31**	**3,492**
Analysed as follows:								
Deferred tax asset								**(21)**
Deferred tax liability								**3,513**

This net deferred tax liability includes a net liability of €1,174 million related to the 2021 Acquisition, a €36 million liability arising on assets capitalised under IFRS but expensed for tax, and a €22 million liability related to purchase accounting on earlier transactions in an acquired entity.

Notes to the consolidated financial statements continued

Unrecognised tax items

The utilisation of tax losses and temporary differences carried forward, for which no deferred tax asset is currently recognised, is subject to the resolution of tax authority enquiries and the achievement of positive income in periods which are beyond the Group's current business plan, and therefore this utilisation is uncertain.

The gross and tax effected amounts including expiry dates, where applicable, of unrecognised losses, tax credits and deductible temporary differences available for carry forward are as follows:

	Year ended 31 December					
	2022		2021		2020	
	€ million		€ million		€ million	
	Gross amount	Tax effected	Gross amount	Tax effected	Gross amount	Tax effected
Tax losses expiring:						
Within 10 years			—	—	7	2
Beyond 10 years	3	*	—	—	—	—
No time limit	1,799	330	1,803	310	1,802	278
	1,802	**331**	**1,803**	**310**	**1,809**	**280**
Tax credits expiring:						
Within 10 years	58	58	100	100	122	122
Beyond 10 years	43	43	45	45	47	47
No time limit			—	—	—	—
	101	**101**	**145**	**145**	**169**	**169**
Deductible temporary differences						
No time limit	79	20	53	11	65	14
	79	**20**	**53**	**11**	**65**	**14**
Total	**1,982**	**452**	**2,001**	**466**	**2,043**	**463**

As at 31 December 2022, no deferred tax liability has been recognised in respect of €309 million of unremitted earnings in subsidiaries, associates and joint ventures.

Tax provisions

The Group is routinely under audit by tax authorities in the ordinary course of business. Due to their nature, such proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, settlements between affected parties and/or governmental actions. The probability of outcome is assessed and accrued as a liability and/or disclosed, as appropriate. The Group maintains provisions for uncertainty relating to these tax matters that it believes appropriately reflect its risk. As at 31 December 2022, €122 million of these provisions is included in current tax liabilities and the remainder is included in non-current tax liabilities.

The Group reviews the adequacy of these provisions at the end of each reporting period and adjusts them based on changing facts and circumstances. Due to the uncertainty associated with tax matters, it is possible that at some future date, liabilities resulting from audits or litigation could vary significantly from the Group's provisions.

The Group has received tax assessments in certain jurisdictions for potential tax related to the Group's purchases of concentrate. The value of the Group's concentrate purchases is significant, and therefore, the tax assessments are substantial. The Group strongly believes the application of tax has no technical merit based on applicable tax law, and its tax position would be sustained. Accordingly, the Group has not recorded a tax liability for these assessments, and is vigorously defending its position against these assessments.

Note 22
Share-based payment plans

The Group has an established Share options plan and a Long-Term Incentive Plan (LTIP) to certain executive and management level employees that provide for granting restricted stock units, some with performance and/or market conditions. These awards are designed to align the interests of executives and management with the interests of shareholders.

During 2022, the Group launched a new global Employee Share Purchase Plan (ESPP), which gives the employees the opportunity to purchase CCEP Shares on a regular basis and become a shareholder, promoting an ownership culture. Under the ESPP, participating employees are granted matching Shares given that certain vesting and non-vesting conditions are met.

The Group recognises compensation expense equal to the grant date fair value for all share-based payment awards that are expected to vest. Expense is generally recorded on a straight-line basis over the requisite service period for each separately vesting portion of the award.

During the years ended 31 December 2022, 31 December 2021 and 31 December 2020, compensation expense related to our share-based payment plans totalled €33 million, €17 million and €14 million, respectively.

Share options

Share options: (1) are granted with exercise prices equal to or greater than the fair value of the Group's stock on the date of grant, (2) generally vest in three annual tranches over a period of 36 months and (3) expire 10 years from the date of grant. Generally, when options are exercised, new Shares will be issued rather than issuing treasury Shares, if available. No options were granted during the years ended 31 December 2022, 31 December 2021 and 31 December 2020. All options outstanding as at 31 December 2022, 31 December 2021 and 31 December 2020 were valued and had exercise prices in US dollars.

Notes to the consolidated financial statements continued

The following table summarises our share option activity for the periods presented:

	2022		2021		2020	
	Shares thousands	Average exercise price US$	Shares thousands	Average exercise price US$	Shares thousands	Average exercise price US$
Outstanding at beginning of year	**2,758**	34.19	**4,051**	31.68	**4,815**	29.80
Granted	—	—	—	—	—	—
Exercised	(484)	29.00	(1,290)	26.33	(761)	19.79
Forfeited, expired or cancelled	(2)	28.27	(3)	19.68	(3)	31.97
Outstanding at end of year	**2,272**	35.30	**2,758**	34.19	**4,051**	31.68
Options exercisable at end of year	**2,272**	35.30	**2,758**	34.19	**4,051**	31.68

The weighted average Share price during the years ended 31 December 2022, 31 December 2021 and 31 December 2020 was US$51.21, US$55.68 and US$42.71, respectively.

The following table summarises the weighted average remaining life of options outstanding for the periods presented:

	2022		2021		2020	
Range of exercise prices	Options outstanding	Weighted average remaining life	Options outstanding	Weighted average remaining life	Options outstanding	Weighted average remaining life
US$	thousands	years	thousands	years	thousands	years
15.01 to 25.00	—	0	151	0.85	931	1.75
25.01 to 40.00	2,272	2.20	2,607	3.04	3,120	3.85
Total	**2,272**	2.20	**2,758**	2.92	**4,051**	3.37

Restricted Stock Units (RSUs) and Performance Share Units (PSUs)

RSU awards entitle the participant to accrue dividends, which are paid in cash only if the RSUs vest. They do not have voting rights. Upon vesting, the participant is granted one Share for each RSU. They generally vest subject to continued employment for a period of 36 months. Unvested RSUs are restricted as to disposition and subject to forfeiture.

There were 0.1 million, 0.1 million and 0.2 million unvested RSUs outstanding with a weighted average grant date fair value of US$42.74, US$43.29 and US$41.77 as at 31 December 2022, 31 December 2021 and 31 December 2020, respectively.

PSU awards entitle the participant to the same benefits as RSUs. They generally vest subject to continued employment for a period of 36 months and the attainment of certain performance targets. There were 1.8 million, 1.3 million and 1.1 million of unvested PSUs with weighted average grant date fair values of US$41.65, US$43.07 and US$40.45 outstanding as at 31 December 2022, 31 December 2021 and 31 December 2020, respectively.

The PSUs granted in 2022, 2021 and 2020 are subject to performance conditions of absolute EPS and ROIC, each with a 42.5% weighting and to a sustainability metric, focused on the reduction of greenhouse gas emissions (CO_2e) across our entire value chain with a 15% weighting.

Key assumptions for grant date fair value

The following table summarises the weighted average grant date fair values per unit:

Restricted stock units and performance share units	2022	2021
Grant date fair value – service conditions (US$)	45.43	47.77
Grant date fair value – service and performance conditions (US$)	45.44	47.68

Employee share purchase plan

Through the ESPP, employees are able to contribute on a regular basis up to a maximum amount deducted from their salary for the purpose of purchasing CCEP Shares. Every quarter, for each purchased share, CCEP awards participating employees matching Shares at the same time. Participating employees become owners of the matching Shares 12 months after the award, as long as they remain in employment and do not sell the related purchased Shares during this period. Participants have all the rights of a shareholder in respect of their purchased Shares and matching Shares (once they are fully owned by the employees), including in respect of dividend rights and voting rights. During the year ended 31 December 2022, the Group recognised a compensation expense of €3 million related to the newly launched ESPP.

Note 23
Provisions, contingencies and commitments

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When some or all of a provision is expected to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated income statement, net of any reimbursement.

Asset retirement obligations are estimated at the inception of a lease or contract, for which a liability is recognised. A corresponding asset is also created and depreciated.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the consolidated financial statements continued

Provisions

The following table summarises the movement in each class of provision for the periods presented:

	Restructuring provision € million	Decommissioning provision € million	Other provisions[A] € million	Total € million
As at 31 December 2020	**208**	**15**	**14**	**237**
Acquisition of CCL	9	—	—	9
Charged/(credited) to profit or loss:				
Additional provisions recognised	93	6	5	104
Unused amounts reversed	(13)	—	(2)	(15)
Utilised during the period	(192)	(1)	(6)	(199)
Translation	(2)	—	—	(2)
As at 31 December 2021	**103**	**20**	**11**	**134**
Charged/(credited) to profit or loss:				
Additional provisions recognised	115	1	7	124
Unused amounts reversed	(8)	(2)	(3)	(13)
Utilised during the period	(74)	(1)	(1)	(76)
Translation	1			1
As at 31 December 2022	**137**	**24**	**9**	**170**
Non-current	26	24	5	55
Current	111	—	4	115
As at 31 December 2022	**137**	**24**	**9**	**170**

(A) Other provisions primarily relate to property tax assessment provisions and legal reserves, and are not considered material to the consolidated financial statements.

Restructuring provision

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and an appropriate timeline, and the employees affected have been notified of the plan's main features. These provisions are expected to be resolved by the time the related programme is substantively complete.

Refer to Note 18 for further details regarding our restructuring programmes.

Decommissioning provisions

Decommissioning liabilities relate to contractual or legal obligations to pay for asset retirement costs. The liabilities represent both the reinstatement obligations when the Group is contractually obligated to pay for the cost of retiring leased buildings and the costs for collection, treatment, reuse, recovery and environmentally sound disposal of cold drink equipment. Specific to cold drink equipment obligations, the Group is subject to, and operates in accordance with, the EU Directive on Waste Electrical and Electronic Equipment (WEEE). Under the WEEE, companies that put electrical and electronic equipment (such as cold drink equipment) on the EU market are responsible for the costs of collection, treatment, recovery and disposal of their own products. Where applicable, the WEEE provision estimate is calculated using assumptions including disposal cost per unit, average equipment age and the inflation rate, to determine the appropriate accrual amount.

The period over which the decommissioning liabilities on leased buildings and cold drink equipment will be settled ranges from 1 to 30 years and 2 to 9 years, respectively.

Contingencies

Legal proceedings and tax matters

The Group is involved in various legal proceedings and tax matters and is routinely under audit by tax authorities in the ordinary course of business. Due to their nature, such legal proceedings and tax matters involve inherent uncertainties including, but not limited to, court rulings, settlements between affected parties and/or governmental actions. The probability of loss for such contingencies is assessed and accrued as a liability and/or disclosed, as appropriate.

On 24 July 2020, a CCEP subsidiary 'Associated Products & Distribution Proprietary Limited' (APD), was joined to proceedings in the Supreme Court of Queensland between a Glencore joint venture and the State of Queensland, whereby APD's entitlement to royalties, from its sub-surface strata and associated mineral rights, has been challenged by the State of Queensland. Since 2014 and through to 24 July 2020, CCEP has received and recognised approximately €50 million in royalties. Effective the commencement of the proceedings, royalties have been paid directly to court and/or state government and have not been recognised by the Group. In November 2022, the Group was granted a favourable court ruling confirming its entitlement to the past and future royalty payments arising from the ownership of the mineral rights. In December 2022, the Group recognised approximately €96 million of royalty income related to historical payments as well as the entitlement for the fourth quarter of 2022. This amount is reflected as "Other Income" in our consolidated income statement for the year ended 31 December 2022. As at 31 December 2022 the Group is exploring various opportunities in respect of a potential divestment of the mineral rights. Refer to Note 27 for further details.

Guarantees

In connection with ongoing litigation and tax matters in certain territories, guarantees of approximately €646 million have been issued (2021: €340 million). The Group was required to issue these guarantees to satisfy potential obligations arising from such litigation. In addition, we have approximately €29 million of guarantees issued to third parties through the normal course of business (2021: €35 million). The guarantees have various terms and the amounts represent the maximum potential future payments that we could be required to make under the guarantees. No significant additional liabilities in the accompanying consolidated financial statements are expected to arise from guarantees issued.

Notes to the consolidated financial statements continued

Commitments
Commitments beyond 31 December 2022 are disclosed herein but not accrued for within the consolidated statement of financial position.

Purchase agreements
Total purchase commitments were €0.1 billion as at 31 December 2022. This amount represents non-cancellable purchase agreements with various suppliers that are enforceable and legally binding, and that specify a fixed or minimum quantity that we must purchase. All purchases made under these agreements have standard quality and performance criteria. In addition to these amounts, the Group has outstanding capital expenditure purchase orders of approximately €109 million as at 31 December 2022. The Group also has other purchase orders raised in the ordinary course of business which are settled in a reasonably short period of time.

Lease agreements
As at 31 December 2022, the Group had committed to a number of lease agreements that have not yet commenced. The minimum lease payments for these lease agreements totalled €23 million.

Note 24
Other current assets and assets held for sale
Other current assets
The following table summarises the Group's other current assets as at the dates presented:

	Year ended 31 December	
	2022	2021
Other current assets	**€ million**	**€ million**
Prepayments	180	101
VAT receivables[A]	41	16
Coal royalties[B]	26	—
Miscellaneous receivables	162	154
Total other current assets	**479**	**271**

(A) This line item includes a receivable of €25 million from the Basque Region. Refer to Note 25 for further details.
(B) Amount relates to the royalty income recognised in connection with a favourable court ruling pertaining to the ownership of certain mineral rights in Australia. Refer to Note 23 for further detail.

Assets held for sale
Non-current assets, or disposal groups comprising assets and liabilities, are classified as held for sale if it is highly probable that they would be recovered through sale rather than continuous use. In order for a sale to be considered highly probable, all of the following criteria needs to be met: management is committed to a plan to sell the assets, an active programme to locate a buyer and complete the plan has been initiated, the assets are actively marketed at reasonable price, and the sale is expected to be completed within one year from the date of classification.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less cost to sale.

Once classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity accounted investee is no longer equity accounted.

Assets classified as held for sale as at 31 December 2022 totalled €94 million and are predominantly comprised of €40 million related to certain non-alcoholic ready to drink beverage brands, which are to be sold to TCCC (See Note 20 for further details), as well as €29 million related to a sale of property in Germany. The Group expects to complete these transactions during the first half of 2023.

Assets classified as held for sale as at 31 December 2021 totalled €223 million and were predominantly comprised of certain non-alcoholic ready to drink brands that were acquired as part of the Acquisition.

Note 25
Other non-current assets
The following table summarises the Group's other non-current assets as at the dates presented:

	Year ended 31 December	
	2022	2021
Other non-current assets	**€ million**	**€ million**
VAT receivables	—	214
Retirement benefit surplus (Note 16)	135	194
Investments	35	40
Other	82	86
Total other non-current assets	**252**	**534**

VAT receivables
As at 31 December 2021, the Group had a VAT receivable of €214 million, included within other non-current assets, relating to a dispute that began in 2014 between the Spanish tax authorities and the regional tax authorities of Bizkaia (Basque Region) as to the responsibility for refunding VAT to CCEP for years 2013 to 2016. Under relevant tax laws in Spain, conflicts between jurisdictions are ruled by a special Arbitration Board and the refund of the VAT is mandated following the resolution of the issue at the Arbitration Board. As a result of the Arbitration Board ruling issued in July 2022, €252 million, inclusive of interest, was received in December from the regional tax authorities of Bizkaia. As at 31 December 2022, in connection with the dispute and the ruling, the Group has an additional VAT receivable of €25 million from the Basque Region included within Other current assets, and a payable of €57 million to the Spanish tax authorities included within Trade and other payables, both inclusive of interest. We believe it remains a certainty that the Group will continue to be held neutral in respect of the VAT dispute.

Investments
Joint ventures are undertakings in which the Group has an interest and which are jointly controlled by the Group and one or more other parties. Associates are undertakings where the Group has an investment in which it does not have control or joint control but can exercise significant influence. Interests in joint ventures and associates are accounted for using the equity method and are stated in the consolidated balance sheet at cost, adjusted for the movement in the Group's share of their net assets and liabilities. The Group's share of the profit or loss after tax of joint ventures and associates is included in the Group's consolidated income statement as non-operating items. Where the Group's share of losses exceeds its interest in the equity

Notes to the consolidated financial statements continued

accounted investee, the carrying amount of the investment is reduced to zero and the recognition of further losses is discontinued, except to the extent that the Group has an obligation to make payments on behalf of the investee.

Financial assets at fair value through other comprehensive income relate to equity investments. These investments are not held for trading purposes and hence the Group has opted to recognise fair value movements through other comprehensive income. There have been no significant changes in fair value of these investments during the period.

The following table summarises the Group's carrying value of investments as at the dates presented:

	Year ended 31 December	
	2022	2021
Investments	**€ million**	**€ million**
Investments accounted using equity method	33	35
Financial assets at fair value through other comprehensive income	2	5
Total investments	**35**	**40**

Note 26
Financial risk management
Financial risk factors, objectives and policies

The Group's activities expose it to several financial risks including market risk, credit risk and liquidity risk. Financial risk activities are governed by appropriate policies and procedures to minimise the uncertainties these risks create on the Group's future cash flows. Such policies are developed and approved by the Group's treasury and commodities risk committee, through the authority delegated to it by the Board.

Market risk

Market risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices and includes interest rate risk, currency risk and other price risk such as commodity price risk. Market risk affects outstanding borrowings, as well as derivative financial instruments.

Interest rates

The Group is subject to interest rate risk for its outstanding borrowings. To manage interest rate risk, the Group maintains a significant proportion of its borrowings at fixed rates. Approximately 90% and 95% of the Group's interest bearing borrowings were comprised of fixed rate borrowings at 31 December 2022 and 31 December 2021, respectively. As part of the Acquisition, the Group acquired interest rate swaps used to hedge its interest rate risk associated with CCL-related borrowings. As at 31 December 2022 and 31 December 2021 the notional value of the Group's interest rate swaps was €1,146 million and €291 million, respectively.

If interest rates on the Group's floating rate debt were adjusted by 1% for the years ended 31 December 2022, 31 December 2021 and 31 December 2020, the Group's finance costs and pre-tax equity would change on an annual basis by approximately €9 million, €7 million and €2 million, respectively. This amount is determined by calculating the effect of a hypothetical interest rate change on the Group's floating rate debt. This estimate does not include the effects of other actions to mitigate this risk or changes in the Group's financial structure.

Currency exchange rates

The Group's exposure to the risk of changes in currency exchange rates relates primarily to its operating activities denominated in currencies other than the functional currency, the euro. To manage currency exchange risk arising from future commercial transactions and recognised monetary assets and liabilities, foreign currency forward and option contracts with external third parties are used. Typically, up to 80% of anticipated cash flow exposures in each major foreign currency for the next calendar year are hedged using a combination of forward and option contracts with third parties.

The Group is also exposed to the risk of changes in currency exchange rates between US dollar and euro relating to its US denominated borrowings. The following table demonstrates the sensitivity of the Group's profit before income taxes and pre-tax equity as a result of changes in the value of outstanding debt instruments due to reasonable movements in the US dollar against the euro, with all other variables held constant. This does not take into account the effects of derivative instruments used to manage exposure to this risk. Movements in foreign currencies related to the Group's other financial instruments do not have a material impact on profit before income taxes or pre-tax equity.

The Group also has borrowing denominated in Australian dollars that are not swapped into euro and are converted as part of the currency translation of the net assets of API, and as such, movements in exchange rates would not impact profit.

	Change in currency rate	€ strengthens against US$	€ weakens against US$
Effect on profit before tax and pre-tax equity	**%**	**€ million**	**€ million**
Year ended 31 December 2022	10	197	(197)
Year ended 31 December 2021	10	176	(176)
Year ended 31 December 2020	10	33	(36)

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Commodity price risk
The competitive marketplace in which the Group operates may limit its ability to recover increased costs through higher prices. As such, the Group is subject to market risk with respect to commodity price fluctuations, principally related to its purchases of aluminium, PET (plastic, including recycled PET, LDPE), ethylene, sugar and vehicle fuel. When possible, exposure to this risk is managed primarily through the use of supplier pricing agreements, which enable the Group to establish the purchase price for certain commodities. Certain suppliers restrict the Group's ability to hedge prices through supplier agreements. As a result, commodity hedging programmes are entered into and generally designated as hedging instruments. Refer to Note 13 for more information. Typically, up to 80% of the anticipated commodity transaction exposures for the next calendar year are hedged using a combination of forward and option contracts executed with third parties. The Group estimates that a 10% change in the market price of these commodities over the current market prices would affect operating profit during the next 12 months by approximately €150 million (2021: €116 million, 2020: €47 million). This does not take into account the effects of derivative instruments used to manage exposure to this risk or pricing agreements in place.

Credit risk
The Group is exposed to counterparty credit risk on all of its derivative financial instruments. Strict counterparty credit guidelines are maintained and only financial institutions that are investment grade or better are acceptable counterparties. Counterparty credit risk is continuously monitored and numerous counterparties are used to minimise exposure to potential defaults. Where required, collateral is paid between the counterparties to minimise counterparty risk. The maximum credit risk exposure for each derivative financial instrument is the carrying amount of the derivative. Included in trade and other payables is €25 million (2021: €46 million) related to collateral received from counterparties and included in other current assets is nil (2021: €4 million) related to collateral paid to counterparties.

Credit is extended in the form of payment terms for trade to customers of the Group, consisting of retailers, wholesalers and other customers, generally without requiring collateral, based on an evaluation of the customer's financial condition. While the Group has a concentration of credit risk in the retail sector, this risk is mitigated due to the diverse nature of the customers the Group serves, including, but not limited to, their type, geographic location, size and beverage channel. Depending on the risk profile of certain customers, we may also seek bank guarantees. Collections of receivables are dependent on each individual customer's financial condition and sales adjustments granted. Trade accounts receivable are carried at net realisable value. Typically, accounts receivable have terms of 30 to 60 days and do not bear interest. Exposure to losses on receivables is monitored, and balances are adjusted for expected credit losses. Expected credit losses are determined by: (1) evaluating the ageing of receivables; (2) analysing the history of adjustments; and (3) reviewing high risk customers. Credit insurance on a portion of the accounts receivable balance is also carried.

Liquidity risk
Liquidity risk is actively managed to ensure that the Group has sufficient funds to satisfy its commitments. The Group's sources of capital include, but are not limited to, cash flows from operations, public and private issuances of debt and equity securities and bank borrowings. The Group believes its operating cash flow, cash on hand and available short-term and long-term capital resources are sufficient to fund its working capital requirements, scheduled borrowing payments, interest payments, capital expenditures, benefit plan contributions, income tax obligations and dividends to its shareholders. Counterparties and instruments used to hold cash and cash equivalents are continuously assessed, with a focus on preservation of capital and liquidity. Based on information currently available, the Group does not believe it is at significant risk of default by its counterparties.

The Group has amounts available for borrowing under a €1.95 billion multi currency credit facility (2021: €1.95 billion) with a syndicate of 13 banks. This credit facility matures in 2025 and is for general corporate purposes, including serving as a backstop to its commercial paper programme and supporting the Group's working capital needs. Based on information currently available, the Group has no indication that the financial institutions participating in this facility would be unable to fulfil their commitments as at the date of these financial statements. The current credit facility contains no financial covenants that would impact the Group's liquidity or access to capital. As at 31 December 2022, the Group had no amounts drawn under this credit facility.

During the year the Group implemented a new sustainability-linked supply chain finance programme. The facility is provided by a third party bank and will help our suppliers get paid earlier than under contractual credit terms. Supplier balances under supply chain finance facilities are disclosed in Note 15.

Notes to the consolidated financial statements continued

The following table analyses the Group's non-derivative financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows:

Financial liabilities	Total € million	Less than 1 year € million	1 to 3 years € million	3 to 5 years € million	More than 5 years € million
31 December 2022					
Trade and other payables	4,714	4,714			
Amounts payable to related parties	485	485			
Borrowings	12,374	1,336	2,597	2,172	6,269
Derivatives	963	76	17	51	119
Lease liabilities	792	149	217	129	297
Total financial liabilities	**18,528**	**6,760**	**2,831**	**2,359**	**6,578**
31 December 2021					
Trade and other payables	3,933	3,933	—	—	—
Amounts payable to related parties	210	210	—	—	—
Borrowings	13,599	1,369	2,551	2,274	7,405
Derivatives	66	19	4	15	28
Lease liabilities	714	145	208	111	250
Total financial liabilities	**18,522**	**5,676**	**2,763**	**2,400**	**7,683**

Capital management

The primary objective of the Group's capital management is to ensure a strong credit rating and appropriate capital ratios are maintained to support the Group's business and maximise shareholder value. The Group's credit ratings are periodically reviewed by rating agencies. Currently, the Group's long-term ratings from Moody's and Fitch are Baa1 and BBB+, respectively. Changes in the operating results, cash flows or financial position could impact the ratings assigned by the various rating agencies. The credit rating can be materially influenced by a number of factors including, but not limited to, acquisitions, investment decisions, capital management activities of TCCC and/or changes in the credit rating of TCCC. Should the credit ratings be adjusted downward, the Group may incur higher costs to borrow, which could have a material impact on the financial condition and results of operations.

The capital structure is managed and, as appropriate, adjustments are made in light of changes in economic conditions and the Group's financial policy. The Group monitors its operating performance in the context of targeted financial leverage by comparing the ratio of net debt with adjusted EBITDA. Net debt is calculated as being the net of cash and cash equivalents, short-term investments, borrowings, fair value of hedging instruments related to borrowings and financial assets/liabilities related to borrowings. Adjusted EBITDA is calculated as EBITDA and adjusted for items impacting comparability.

Refer to Note 12 for the presentation of fair values for each class of financial assets and financial liabilities and Note 13 for an outline of how the Group utilises derivative financial instruments to mitigate its exposure to certain market risks associated with its ongoing operations.

Refer to the Strategic Report included within this Integrated Report for disclosure of strategic, commercial and operational risk relevant to the Group.

Notes to the consolidated financial statements continued

Note 27
Significant events after the reporting period

In January 2023, the Group extended the maturity date of the revolving credit facility from August 2025 to January 2028. The size of the facility remains unchanged at €1.95 billion.

On 15 February 2023, the Group completed the acquisition of the remaining 29.4% ownership interest of its subsidiary, PT Coca-Cola Bottling Indonesia, for a total consideration of €282 million.

On 8 February 2023, the Group received a proposed VAT assessment for years 2017 to 2019, approximating €250 million, inclusive of interest, in relation to a dispute between the Spanish tax authorities and the regional tax authorities of Bizkaia (Basque Region) regarding the responsibility for ultimately refunding VAT to the Group. For the period under the proposed assessment, the VAT refund was issued by the Spanish tax authorities. In July 2022, the Arbitration Board ruled that the regional tax authorities of Bizkaia were responsible for refunding the VAT to the Group for years 2013 and 2016 (refer to Note 25 for additional details). We believe that the Group will continue to be held neutral in respect of the VAT dispute.

On 7 March 2023, the Group entered into an agreement to sell sub-strata and associated mineral rights in Queensland, Australia. Subject to regulatory approval, the transaction is expected to complete in the first half of 2023. The financial effects of the transaction will not be material for the Group.

Notes to the consolidated financial statements continued

Note 28
Group companies

In accordance with section 409 of the Companies Act 2006, a full list of the Company's subsidiaries, partnerships, associates, joint ventures and joint arrangements as at 31 December 2022 is disclosed below, along with the country of incorporation, the registered address and the effective percentage of equity owned at that date. Unless otherwise stated, each entity has a share capital comprising a single class of ordinary shares and is wholly owned and indirectly held by CCEP.

Name	Country of incorporation	% equity interest	Registered address
Agua De La Vega Del Codorno, S.L.U.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta , 28042, Madrid, Spain
Aguas De Cospeito, S.L.U.	Spain	100%	Crta. Pino km. 1- 2, 27377, Cospeito (Lugo), Spain
Aguas De Santolin, S.L.U.	Spain	100%	C/ Real, s/n 09246, Quintanaurria , Burgos , Spain
Aguas Del Maestrazgo, S.L.U.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta , 28042, Madrid, Spain
Aguas Del Toscal, S.A.U.	Spain	100%	Ctra. de la Pasadilla, km, 3-35250, Ingenio (Gran Canaria), Spain
Aguas Vilas Del Turbon, S.L.U.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta , 28042, Madrid, Spain
Aitonomi AG	Switzerland	15%	Bruderhausstrasse 10, CH-6372 Ennetmoos, Switzerland
Amalgamated Beverages Great Britain Limited	United Kingdom	100%(D)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Apand Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Associated Products & Distribution Proprietary	Australia	100%(D)	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
BBH Investment Ireland Limited	Ireland	100%	6th Floor, 2 Grand Canal Square, Dublin 2, Ireland
Bebidas Gaseosas Del Noroeste, S.L.U.	Spain	100%	Avda. Alcalde Alfonso Molina , S/N-15007, (A Coruna), Spain
Beganet, S.L.U.	Spain	100%	Avda Paisos Catalans, 32, 08950 , Esplugues de Llobregat, Spain
Beverage Bottlers (NQ) Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Beverage Bottlers (QLD) Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Birtingahúsið ehf.	Iceland	34.5%	Laugavegur 174, 105, Reykjavík, Iceland
BL Bottling Holdings UK Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Bottling Great Britain Limited	United Kingdom	100%(D)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Bottling Holding France SAS	France	100%	9 chemin de Bretagne , 92784, Issy-les-Moulineaux, France
Bottling Holdings (Luxembourg) SARL	Luxembourg	100%	2, Rue des Joncs, L-1818, Howald, Luxembourg
Bottling Holdings (Netherlands) B.V.	Netherlands	100%	Marten Meesweg 25 J, 3068 AV ROTTERDAM, Netherlands
Bottling Holdings Europe Limited	United Kingdom	100%(B)(E)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom

Notes to the consolidated financial statements continued

Name	Country of incorporation	% equity interest	Registered address
Brewcorp Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Brewhouse Investments Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
C - C Bottlers Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Can Recycling (S.A.) Pty. Ltd.	Australia	100%(B)	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
CC Digital GmbH	Germany	50%	Stralauer Allee 4, 10245, Berlin, Germany
CC Erfrischungsgetränke Oldenburg Verwaltungs GmbH	Germany	100%(I)	Stralauer Allee 4, 10245, Berlin, Germany
CC Iberian Partners Gestion S.L.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta , 28042, Madrid, Spain
CC Verpackungsgesellschaft mit beschraenkter Haftung	Germany	100%	Schieferstrasse 20, 06126, Halle (Saale), Germany
CCA Bayswater Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
CCEP Australia Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
CCEP Finance (Australia) Limited	United Kingdom	100%(A)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
CCEP Finance (Ireland) Designated Activity Company	Ireland	100%	6th Floor, 2 Grand Canal Square, Dublin 2, Ireland
CCEP Group Services Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
CCEP Holdings (Australia) Limited	United Kingdom	100%(A)(D)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
CCEP Holdings (Australia) Pty Ltd	Australia	100%(A)	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
CCEP Holdings Norge AS	Norway	100%	Robsrudskogen 5, Lørenskog, 1470, Norway
CCEP Holdings Sverige AB	Sweden	100%	Dryckesvägen 2 C, 136 87, Haninge, Sweden
CCEP Holdings UK Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
CCEP Ventures Australia Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
CCEP Ventures Europe Limited	United Kingdom	100%(A)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
CCEP Ventures UK Limited	United Kingdom	100%(A)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
CCEP Scottish Limited Partnership	United Kingdom	100%	52 Milton Road, East Kilbride, Glasgow, Scotland, G74 5DJ
CCIP Soporte, S.L.U.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta , 28042, Madrid, Spain
Circular Plastics Australia (PET) Holdings Pty Ltd	Australia	16.67%	Building 3, 658 Church Street, Cremorne VIC 3121, Australia
Classic Brand (Europe) Designated Activity Company	Ireland	100%	4th Floor, 25-28 Adelaide Road, Dublin 2, D02 RY98, Ireland
Cobega Embotellador, S.L.U.	Spain	100%	Avda Paisos Catalans, 32, 08950 , Esplugues de Llobregat, Spain
Coca-Cola Amatil (UK) Limited	United Kingdom	100%(L)	1 Bartholomew Lane, London, EC2N 2AX, United Kingdom
Coca-Cola Europacific Partners (CDE Aust) Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Coca-Cola Europacific Partners (Fiji) Pte Limited	Fiji	100%	Lot 1, Ratu Dovi Road, Laucala Beach Estate, NASINU, Fiji

Notes to the consolidated financial statements continued

Name	Country of incorporation	% equity interest	Registered address
Coca-Cola Europacific Partners (Holdings) Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Coca-Cola Europacific Partners (Initial LP) Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Coca-Cola Europacific Partners (Scotland) Limited	United Kingdom	100%	52 Milton Road, College Milton, East Kilbride, Scotland, G74 5DJ, United Kingdom
Coca-Cola Europacific Partners API Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Coca-Cola Europacific Partners Australia Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Coca-Cola Europacific Partners Belgium SRL/BV	Belgium	100%	Chaussée de Mons 1424, 1070 Brussels, Belgium
Coca-Cola Europacific Partners Deutschland GmbH	Germany	100%(F)	Stralauer Allee 4, 10245, Berlin, Germany
Coca-Cola Europacific Partners France SAS	France	100%(G)	9 chemin de Bretagne , 92784, Issy-les-Moulineaux, France
Coca-Cola Europacific Partners Great Britain Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Coca-Cola Europacific Partners Holdings Great Britain Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Coca-Cola Europacific Partners Holdings NZ Limited	New Zealand	100%	The Oasis, 19 Carbine Road, Mount Wellington, Auckland, 1060, New Zealand
Coca-Cola Europacific Partners Holdings US, Inc.	United States	100%(A)(D)	Corporation Trust Center, 1209 Orange Street, Wilmington DE, USA
Coca-Cola Europacific Partners Iberia, S.L.U.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta , 28042, Madrid, Spain
Coca-Cola Europacific Partners Investments (Singapore) Pte. Ltd.	Singapore	100%	80 Robinson Road, #02-00, 068898, Singapore
Coca-Cola Europacific Partners Ísland ehf.	Iceland	100%	Studlahals 1, 110, Reykjavik, Iceland
Coca-Cola Europacific Partners Luxembourg sàrl	Luxembourg	100%	2, Rue des Joncs, L-1818, Howald, Luxembourg
Coca-Cola Europacific Partners Nederland B.V.	Netherlands	100%	Marten Meesweg 25 J, 3068 AV ROTTERDAM, Netherlands
Coca-Cola Europacific Partners New Zealand Limited	New Zealand	100%	The Oasis, 19 Carbine Road, Mount Wellington, Auckland, 1060, New Zealand
Coca-Cola Europacific Partners Norge AS	Norway	100%	Robsrudskogen 5, Lørenskog, 1470, Norway
Coca-Cola Europacific Partners Papua New Guinea Limited	Papua New Guinea	100%	Section 23, Allotment 14, Milfordhaven Road, LAE, Morobe Province, 411, Papua New Guinea
Coca-Cola Europacific Partners Pension Scheme Trustees Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Coca-Cola Europacific Partners Portugal Unipessoal LDA	Portugal	100%	Quinta da Salmoura - Cabanas-2925-362 Azeitão, Setúbal, Portugal
Coca-Cola Europacific Partners Services Bulgaria EOOD	Bulgaria	100%	48 Sitnyakovo Blvd. , Serdika Centre , Office Building, floor 5 , Sofia , 1505, Bulgaria
Coca-Cola Europacific Partners Services Europe Limited	United Kingdom	100%	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Coca-Cola Europacific Partners Services SRL	Belgium	100%(O)	Chaussée de Mons 1424, 1070 Brussels, Belgium
Coca-Cola Europacific Partners Sverige AB	Sweden	100%	136 87, Haninge, Sweden
Coca-Cola Europacific Partners US II, LLC	United States	100%	Corporation Trust Center, 1209 Orange Street, Wilmington 19801, Delaware, USA

Notes to the consolidated financial statements continued

Name	Country of incorporation	% equity interest	Registered address
Coca-Cola Europacific Partners US, LLC	United States	100%	Corporation Trust Center, 1209 Orange Street, Wilmington 19801, USA
Coca-Cola Europacific Partners Vanuatu Limited	Vanuatu	100%	1st Floor, Govant Building, Kumul Highway, Port Vila, Vanuatu
Coca-Cola Immobilier SCI	France	100%(G)	9 chemin de Bretagne , 92784, Issy-les-Moulineaux, France
Coca-Cola Production SAS	France	100%	Zone d' entreprises de Bergues , 59380, Commune de Socx, France
Coca-Cola Australia Foundation Limited	Australia	—%(M)	Level 13 , 40 Mount Street , North Sydney NSW 2060, Australia
Compañía Asturiana De Bebidas Gaseosas, S.L.U.	Spain	100%	C/ Nava, 18- 3ª (Granda) Siero - 33006, Oviedo, Spain
Compañía Castellana De Bebidas Gaseosas, S.L.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta , 28042, (Madrid), Spain
Compañía Levantina De Bebidas Gaseosas, S.L.U.	Spain	100%	Av. Real Monasterio de Sta. , Maria de Poblet , 3646930, Quart de Poblet , Spain
Compañía Norteña De Bebidas Gaseosas, S.L.U.	Spain	100%	C/ Ibaizábal, 57 , Galdakao, 48960, Bizkaia, Spain
Compañía Para La Comunicación De Bebidas Sin Alcohol, S.L.U.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta , 28042, Madrid, Spain
Container Exchange (QLD) Limited	Australia	—%(M)	Level 17, 100 Creek Street, Brisbane QLD 4000, Australia
Container Exchange (Services) Pty Ltd	Australia	50%	Maddocks, Angel Place, Level 27, 123 Pitt Street, Sydney NSW 2000, Australia
Conversia IT, S.L.U.	Spain	100%	C/ Ribera Del Loira 20-22, 2a Planta , 28042, Madrid, Spain
Crusta Fruit Juices Proprietary Limited	Australia	100%(J)	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Developed System Logistics, S.L.U.	Spain	100%	Av. Henry Ford 25, Manzana 19, Complejo Pq.Ind.Juan , CARLOS I , 46220, Picassent , Valencia , Spain
Endurvinnslan hf.	Iceland	20%	Knarravogur 4, 104 Reykjavik, Iceland
Exchange for Change (ACT) Pty Ltd	Australia	20%	Building C, Suite 6, Level 1, 1 Homebush Bay Drive, Rhodes NSW 2138, Australia
Exchange for Change (Australia) Pty Ltd	Australia	20%	Building C, Suite 6, Level 1, 1 Homebush Bay Drive, Rhodes NSW 2138, Australia
Exchange for Change (NSW) Pty Ltd	Australia	20%	Building C, Suite 6, Level 1, 1 Homebush Bay Drive, Rhodes NSW 2138, Australia
Feral Brewing Company Pty Ltd	Australia	100%(K)	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Foodl B.V.	Netherlands	33.3%	HNK Utrecht West, V.02, Weg der Verenigde Naties 1, 3527 KT, Utrecht, Netherlands
GR Bottling Holdings UK Limited	United Kingdom	100%(A)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Infineo Recyclage SAS	France	49%(H)	Sainte Marie la Blanche , 21200, Dijon , France
Innovative Tap Solutions Inc.	United States	21.8%	300 Brookside Avenue, Ambler, PA 19002, USA
Instelling voor Bedrijfspensioenvoorziening Coca-Cola Europacific Partners Belgium/Coca-Cola Europacific Partners Services – Bedienden-Arbeiders OFP	Belgium	100%	1424 – B1070 Bergensesteenweg, Brussels, Belgium
Instelling voor Bedrijfspensioenvoorziening Coca-Cola Europacific Partners Belgium/Coca-Cola Europacific Partners Services – Kaderleden OFP	Belgium	100%	1424 – B1070 Bergensesteenweg, Brussels, Belgium

Notes to the consolidated financial statements continued

Name	Country of incorporation	% equity interest	Registered address
Iparbal, 99 S.L.	Spain	100%	C/ Ibaizábal, 57, 48960, Bizkaia, Galdakao, Spain
Iparsoft, 2004 S.L.	Spain	100%	C/ Ibaizábal, 57, 48960, Bizkaia, Galdakao, Spain
Kollex GmbH	Germany	20%	Kottbusser Damm 25-26 , 10967, Berlin, Germany
Lavit Holdings Inc	United States	13.7%	27 West 20th Street, Suite 1004, New York NY 10011, USA
Lusobega, S.L.	Spain	100%	C/ Ibaizábal, 57, 48960, Bizkaia, Galdakao, Spain
Madrid Ecoplatform, S.L.U.	Spain	100%	C/Pedro Lara, 8 Pq. Tecnologico de Leganes , 28919, (Leganes), Spain
Mahija Parahita Nusantara Foundation	Indonesia	—%(M)	South Quarter Tower C, 22nd (P) Floor, Jalan R.A. Kartini, Kav.8, Cilandak Barat, Cilandak, South Jakarta , 12430, Indonesia
Matila Nominees Pty. Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Neverfail Bottled Water Co Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Neverfail SA Pty. Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Neverfail Springwater (VIC) Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Neverfail Springwater Co Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Neverfail Springwater Co. (QLD) Pty. Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Neverfail Springwater Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Neverfail WA Pty. Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Pacbev Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Paradise Beverages (Fiji) Pte Limited	Fiji	100%	122-164 Foster Road, Walu Bay, Suva, Fiji
PEÑA Umbria S.L.U.	Spain	100%	Av. Real Monasterio de Sta. , Maria de Poblet , 3646930, Quart de Poblet , Spain
Perfect Fruit Company Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
PT Amandina Bumi Nusantara	Indonesia	35.31%	South Quarter Tower C, 22nd (P) Floor, Jalan R.A. Kartini, Kav.8, Cilandak Barat, Cilandak, South Jakarta , 12430, Indonesia
PT Coca-Cola Bottling Indonesia	Indonesia	70.6%(C)	South Quarter Tower C, 22nd (P) Floor, Jalan R.A. Kartini, Kav.8, Cilandak Barat, Cilandak, South Jakarta , 12430, Indonesia
PT Coca-Cola Distribution Indonesia	Indonesia	70.63%	South Quarter Tower C, 22nd (P) Floor, Jalan R.A. Kartini, Kav.8, Cilandak Barat, Cilandak, South Jakarta , 12430, Indonesia
Purna Pty. Ltd.	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Quenchy Crusta Sales Pty. Ltd.	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Real Oz Water Supply Co (QLD) Pty Limited	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Refrescos Envasados Del Sur, S.L.U.	Spain	100%	Autovia del Sur A-IV, km.528- 41309 , La Rinconada, Sevilla, Spain
Refrige SGPS, Unipessoal, LDA	Portugal	100%	Quinta da Salmoura - Cabanas-2925-362 Azeitão, Setúbal, Portugal
Roalba, S.L.U.	Spain	100%	C/ Ibaizábal, 57, 48960, Bizkaia, Galdakao, Spain

Notes to the consolidated financial statements continued

Name	Country of incorporation	% equity interest	Registered address
Sale Proprietary Co 1 Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Sale Proprietary Co 2 Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Sale Proprietary Co 3 Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Sale Proprietary Co 4 Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Sale Proprietary Co 5 Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Sale Proprietary Co 6 Pty Ltd	Australia	100%(P)	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Sale Proprietary Co 7 Pty Ltd	Australia	100%	Level 13, 40 Mount Street, North Sydney NSW 2060, Australia
Samoa Breweries Limited	Samoa	93.85%	Vaitele Industrial Zone, Vaitele Tai, Faleata Sisifo, Samoa
Solares y Edificios Norteños, S.L.U.	Spain	100%	C/ Ibaizábal, 57, 48960, Bizkaia, Galdakao, Spain
Starstock Group Limited	United Kingdom	28.05%	2nd Floor, 140, Fenchurch Street, London, England, EC3M 6BL, United Kingdom
TasRecycle Limited	Australia	—%(N)	Level 9, 85 Macquarie Street, Hobart TAS 7000, Australia
VicRecycle Limited	Australia	—%(N)	HWL Ebsworth Lawyers, Level 8, 447 Collins Street, Melbourne VIC 3000, Australia
WA Return Recycle Renew Ltd	Australia	—%(M)	Unit 2, 1 Centro Avenue, Subiaco WA 6008, Australia
Wabi Portugal, Unipessoal LDA	Portugal	100%	Nº 16-A, Fracçao B, 5º Piso, Edifício Miraflores Prémium Distrito: Lisboa Concelho: Oieras Freguesia: Algés, Linda-a-Velha e Cruz Quebrada-Dafundo 1495 190 Algés, Portugal
WB Investment Ireland 2 Limited	Ireland	100%	6th Floor, 2 Grand Canal Square, Dublin 2, Ireland
WBH Holdings Luxembourg SCS	Luxembourg	100%	2, Rue des Joncs, L-1818, Howald, Luxembourg
WIH UK Limited	United Kingdom	100%(A)	Pemberton House, Bakers Road, Uxbridge, England, UB8 1EZ, United Kingdom
Wir Sind Coca-Cola GmbH	Germany	100%	Stralauer Allee 4, 10245, Berlin, Germany

(A) 100% equity interest directly held by Coca-Cola Europacific Partners plc.
(B) Class A and B ordinary shares.
(C) Series A, B, and C shares.
(D) Including preference shares issued to the Group.
(E) 38.3% equity interest directly held by Coca-Cola Europacific Partners plc (100% of A ordinary shares in issue).
(F) 10% equity interest directly held by Coca-Cola Europacific Partners plc.
(G) Group shareholding of 99.99% or greater.
(H) Class A and B shares. The Group holds 49% of Class B shares.
(I) In liquidation.
(J) Class A and F shares.
(K) Includes ordinary shares and B Class shares.
(L) Strike off action in process.
(M) Company limited by guarantee. CCEP is a member along with one other member.
(N) Company limited by guarantee. CCEP is a member along with two other members.
(O) Class A, B and C ordinary shares.
(P) Includes redeemable preference shares and discretionary dividend shares issued to the Group.

Coca-Cola Europacific Partners plc Company financial statements
Statement of comprehensive income

		Year ended 31 December	
		2022	2021
	Note	€ million	€ million
Revenue from management fees		34	52
Dividend income	3	581	—
Administrative expenses		(47)	(71)
Operating profit		**568**	**(19)**
Finance income	4	25	15
Finance costs	4	(132)	(133)
Total finance costs, net		(107)	(118)
Non-operating items		(15)	46
Profit before taxes		**446**	**(91)**
Taxes		2	(13)
Profit after taxes		**448**	**(104)**
Components of other comprehensive income:			
Cash flow hedges that may be subsequently reclassified to the income statement:			
Pretax activity, net		(3)	2
Tax effect			—
Other comprehensive income for the period, net of tax		**(3)**	**2**
Comprehensive income for the period		**445**	**(102)**

The accompanying notes are an integral part of these Company financial statements.

Statement of financial position

	Note	Year ended 31 December 2022 € million	2021 € million
ASSETS			
Non-current:			
Investments	5	27,632	27,626
Non-current derivative assets	9	123	92
Other non-current assets		9	12
Total non-current assets		**27,764**	**27,730**
Current:			
Current derivative assets	9	86	6
Other current assets		14	7
Total current assets		**100**	**13**
Total assets		**27,864**	**27,743**
LIABILITIES			
Non-current:			
Borrowings, less current portion	7	6,063	7,237
Amounts payable to related parties	6	3,227	3,227
Non-current derivative liabilities	9	130	—
Other non-current liabilities		11	14
Total non-current liabilities		**9,431**	**10,478**
Current:			
Amounts payable to related parties	6	3,000	1,703
Current portion of borrowings	7	1,148	986
Trade and other payables		69	85
Total current liabilities		**4,217**	**2,774**
Total liabilities		**13,648**	**13,252**
EQUITY			
Share capital	8	5	5
Share premium	8	233	220
Merger reserves	8	8,466	8,466
Retained earnings	8	5,512	5,800
Total equity		**14,216**	**14,491**
Total equity and liabilities		**27,864**	**27,743**

The accompanying notes are an integral part of these Company financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 17 March 2023. They were signed on its behalf by:

Damian Gammell, Chief Executive Officer
17 March 2023

Statement of cash flows

	Note	Year ended 31 December 2022 € million	2021* € million
Cash flows from operating activities:			
(Loss)/profit before taxes		446	(91)
Adjustments to reconcile profit before tax to net cash flows from operating activities:			
Dividend income	3	(583)	—
Depreciation		1	2
Amortisation of intangible assets		2	1
Share-based payment expense		16	10
Finance costs, net		107	118
Other non-operating income/(expense)		—	(46)
Investment write-down		44	—
Change in operating assets/liabilities		(29)	45
Net cash flows from operating activities*		**(27)**	**39**
Cash flows from investing activities:			
Investment in subsidiaries, net	5		(5,729)
Proceeds from loans to related parties			350
Dividend received	3	583	—
Interest received		19	15
Purchase of capitalised software		—	(1)
Net cash flows used in investing activities		**600**	**(5,365)**

	Note	Year ended 31 December 2022 € million	2021* € million
Cash flows from financing activities:			
Proceeds from borrowings, net		1,304	6,769
Repayments on borrowings		(985)	(713)
Payments of principal on lease obligations		(1)	(7)
Interest paid		(138)	(114)
Dividends paid	8	(766)	(639)
Exercise of employee share options		13	30
Net cash flows from financing activities		**(573)**	**5,326**
Net change in cash and cash equivalents		**—**	**—**
Net effect of currency exchange rate changes on cash and cash equivalents*			—
Cash and cash equivalents at beginning of period		**—**	**—**
Cash and cash equivalents at end of period		**—**	**—**

The accompanying notes are an integral part of these Company financial statements.
*Comparative information has been reclassified. Refer to Note 1.

This page does not form part of the Coca-Cola Europacific Partners plc Annual Report on Form 20-F for the year ended 31 December 2022 as filed with the SEC.

Statement of changes in equity

	Share capital	Share premium	Merger reserves	Retained earnings	Total equity
	€ million	€ million	€ million	€ million	€ million
As at 31 December 2020	**5**	**190**	**8,466**	**6,525**	**15,186**
Issue of shares during the year	—	30	—	—	30
Equity-settled share-based payments	—	—	—	16	16
Total comprehensive income for the period	—	—	—	(102)	(102)
Dividends	—	—	—	(639)	(639)
As at 31 December 2021	**5**	**220**	**8,466**	**5,800**	**14,491**
Issue of shares during the year		13			13
Equity-settled share-based payments	—	—	—	33	33
Total comprehensive income for the period				445	445
Dividends	—	—	—	(766)	(766)
As at 31 December 2022	**5**	**233**	**8,466**	**5,512**	**14,216**

The accompanying notes are an integral part of these Company financial statements.

This page does not form part of the Coca-Cola Europacific Partners plc Annual Report on Form 20-F for the year ended 31 December 2022 as filed with the SEC.

Notes to the Company financial statements

Note 1
General information and basis of preparation

Coca-Cola Europacific Partners plc (the Company) acts as a holding company for investments in subsidiaries, as well as a provider of various intragroup services. In addition, the Company engages in general corporate activities such as third party borrowings.

The financial statements of the Company have been prepared in accordance with the UK adopted International Accounting Standards, International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). The financial statements were approved and signed by Damian Gammell, Chief Executive Officer on 17 March 2023 having been duly authorised to do so by the Board of Directors.

As described in the accounting policies in Note 2, the financial statements have been prepared under the historical cost convention except for certain items measured at fair value. Those accounting policies have been applied consistently in all periods. The functional and presentation currency of the Company is euros and amounts are rounded to the nearest million.

The financial statements of the Company have been prepared on a going concern basis (refer to the "Going concern" paragraph on page 143).

The Company's prior year Statement of Cash Flows included €146 million of foreign currency changes within "Net effect of currency exchange changes on cash and cash equivalents". To reflect the cross currency hedging in place, the foreign currency changes are presented within "Change in operating assets/liabilities" in the current year Statement of Cash Flows and the prior period comparatives have been reclassified. As a consequence, net cash flows from operating activities and net change in cash and cash equivalents for the period ending 31 December 2021 have increased by €146 million and the net effect of currency exchange changes on cash and cash equivalents decreased by the same amount.

Note 2
Significant accounting policies

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made in applying the Company's accounting policies were applied consistently across the annual periods.

Investments

Investments in subsidiaries are initially recognised at cost and carried net of any impairment. Investments are tested for impairment whenever events or changes in circumstances indicate that the carrying amounts of those investments may not be recoverable. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses on continuing operations are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

For assets where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, not to exceed the carrying amount that would have been determined, net of depreciation, had no impairment losses been recognised for the asset or CGU in prior years. A reversal of impairment loss is recognised immediately in the income statement.

Share-based payments

The Company has established share-based payment plans that provide for the granting of share options and restricted stock units, some with performance and/or market conditions, to certain executive and management level employees that are employed by the Company and its subsidiaries. These awards are designed to align the interests of its employees with the interests of its shareholders.

The Company recognises compensation expense equal to the grant date fair value for all share-based payment awards that are expected to vest. Expense is generally recorded on a straight-line basis over the requisite service period for each separately vesting portion of the award. As per IAS 27 the Company equity settles share-based payments for employees of subsidiary entities and accounts for the settlement as an addition to the cost of its investment in the employing subsidiary. Upon vesting, the Company recharges the costs of the share-based awards to the employing subsidiary and records a reduction of the investment.

Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets within the scope of IFRS 9, "Financial Instruments" are classified as financial assets at fair value through profit or loss, loans and receivables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The Company's financial assets include cash and short-term deposits, trade and other receivables, loan notes, and derivative financial instruments.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.

Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets at fair value through profit and loss are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or finance cost in the statement of comprehensive income.

This page does not form part of the Coca-Cola Europacific Partners plc Annual Report on Form 20-F for the year ended 31 December 2022 as filed with the SEC.

Notes to the Company financial statements continued

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of comprehensive income. Losses arising from impairment are recognised in the income statement in other operating expenses.

(ii) Financial liabilities
Initial recognition and measurement
Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

Subsequent measurement
The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Interest bearing loans and borrowings
Obligations for loans and borrowings are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or other cancellation of liabilities are recognised respectively in finance income and finance cost.

Trade and other payables
Trade and other payable amounts represent liabilities for goods and services provided prior to the end of the reporting period which are unpaid as of the balance sheet date. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, as applicable.

Management fees
As the ultimate parent entity of the Group, the Company is involved in the provision of intragroup services to certain subsidiaries. Specifically, the Company's employees are above-market roles, who provide services related but not limited to strategy, people and culture, finance, legal, and business process and technology. In addition, certain intragroup services are charged to the Company by its subsidiaries. Management fees revenue for intragroup services provided to subsidiaries is recorded in Revenue. Costs incurred by subsidiaries are recharged to the Company and are recorded in administrative expenses in the statement of comprehensive income.

Note 3
Dividend income
Dividends are recognised when the right to receive the dividend is established. During the year the Company has received the following dividends:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Coca-Cola Europacific Partners Holdings US Inc	516	—
Bottling Holdings Europe Limited	49	—
Coca-Cola Europacific Partners Deutschland GmbH	16	—
Total	**581**	**—**

Note 4
Finance income/(costs)

	Year ended 31 December	
	2022	2021
	€ million	€ million
Interest income	19	15
Total finance income	**19**	**15**
Interest expense	(125)	(131)
Amortisation of debt discount	(2)	(2)
Total finance costs	**(127)**	**(133)**

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Notes to the Company financial statements continued

Note 5
Investments

	Year ended 31 December	
	2022	2021
	€ million	€ million
Balance at 1 January	**27,626**	**22,284**
Subsequent investment in subsidiaries, net	(7)	5,336
Capitalised/vested share-based payments, net	13	6
Balance at 31 December	**27,632**	**27,626**

During 2022, the Company recognised a full write down of its investment in CCEP Ventures UK Limited for €3 million and a partial write down of its investment in CCEP Ventures Europe Limited for €8 million.

During 2021, the Company subscribed for additional AUD preference shares in CCEP Holdings (Australia) Limited in exchange for interest bearing notes. As at the acquisition date, all AUD preference shares were converted into €5,778 million of ordinary shares.

On 31 December 2021, CCEP Holdings (Australia) Limited made a non-cash distribution of €6,171 million to the Company that was set-off against loan notes issued from the Company to CCEP Holdings (Australia) Limited. The transaction was deemed a return of capital and the investment in CCEP Holdings (Australia) Limited was reduced by an equivalent amount. The residual amount of €7 million represents the remaining investment in CCEP Holdings (Australia) Limited.

During 2021, the Company also subscribed for €2,251 million ordinary shares in CCEP Finance (Australia) Limited and for €3,478 million ordinary shares in CCEP Holdings (Australia) Pty in exchange for cash in these amounts, as part of the acquisition of CCL.

Note 6
Amounts receivable from/payable to related parties

	Year ended 31 December	
	2022	2021
	€ million	€ million
Non-current amounts payable to related parties:		
Borrowings[A]	3,227	3,227
Total non-current amounts payable to related parties	**3,227**	**3,227**
Current amounts payable to related parties:		
Cash pool payables[B]	2,942	1,674
Trade and other payables	58	29
Total current amounts payable to related parties	**3,000**	**1,703**
Total amounts payable to related parties	**6,227**	**4,930**

(A) In relation to the acquisition of CCL, the Company borrowed interest bearing euro denominated loan notes from CCEP Finance (Ireland) DAC due between September 2025 and May 2041 with interest rates between 0.1% and 1.6%.
(B) The Company participates in a cash pooling structure in which its available cash is swept to a cash pool header (CCEP Finance (Ireland) DAC). Pooling allows the Company to deposit and withdraw cash on a daily basis to meet its working capital needs.

Transactions with key management personnel

Key management personnel are the members of the Board of Directors and the members of the Executive Leadership Team that are employed by the Company. The following table summarises the total remuneration paid or accrued during the reporting period related to key management personnel:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Salaries and other short-term employee benefits[A]	16	19
Share-based payments	2	4
Total	**18**	**23**

(A) Short-term employee benefits include wages, salaries and social security contributions, paid annual leave and paid sick leave, paid bonuses and non-monetary benefits.

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Notes to the Company financial statements continued

Employee costs

The following table summarises the total employee costs of the Company during the reporting period:

	Year ended 31 December	
	2022	2021
	€ million	€ million
Wages and salaries	13	16
Social security costs	3	3
Total employee costs	**16**	**19**

The average number of persons employed by the Company during the year was 7 (2021: 9).

Note 7
Borrowings

	Year ended 31 December	
	2022	2021
	€ million	€ million
Non-current borrowings:		
Loan notes	6,059	7,232
Lease obligations	4	5
Total non-current borrowings	**6,063**	**7,237**
Current borrowings:		
Loan notes	1,147	700
Commercial paper	—	285
Lease obligations	1	1
Total current borrowings	**1,148**	**986**
Total borrowings	**7,211**	**8,223**

The loan notes as at 31 December 2022 are due between May 2023 and September 2031. The principal amounts due are €7,195 million (2021: €7,915 million) and the applicable interest rates are between 0.2% and 2.75%. The loan notes are stated net of unamortised financing fees of €20 million (2021: €27 million).

During the year, the Company entered into interest rate swaps with notional value of €1 billion, which were designated in a fair value hedge relationship with euro denominated bonds. As at 31 December 2022 fair value adjustments in respect of those interest rate swaps are €(130) million included within non-current borrowings.

Trade and other payables includes interest payable on the borrowings of €47 million (2021: €51 million).

Lease obligations represent the present value of the Company's lease obligations in respect of right of use assets.

The Company has amounts available for borrowing under a €1.95 billion multi currency credit facility with a syndicate of 13 banks. This credit facility matures in 2025 and is for general corporate purposes and supporting the working capital needs. Based on information currently available, there is no indication that the financial institutions participating in this facility would be unable to fulfil their commitments to the Company as at the date of these financial statements. The Company's credit facility contains no financial covenants that would impact its liquidity or access to capital. As at 31 December 2022, the Company had no amounts drawn under this credit facility.

Note 8
Equity

Share capital

As at 31 December 2022, the Company has issued and fully paid 457,106,453 (2021: 456,235,032) ordinary Shares with a nominal value of €0.01 per share. Shares in issue have one voting right each and no restrictions related to dividends or return on capital. For more details please refer to Note 17 in the consolidated financial statements.

Share premium

The balance in share premium as at 31 December 2022 represents the excess over nominal value of €0.01 for the 228,244,244 Shares issued to CCE shareholders on 28 May 2016 based on the adjusted closing stock price of CCE ordinary Shares of €33.33 at the time of the CCEP Merger. The balance also includes €146 million excess over nominal value of share-based payment awarded through to 31 December 2022.

Merger reserves

The Company determined that the consideration transferred to acquire CCIP and CCEG qualified for merger relief under the Companies Act. Therefore, the excess consideration transferred over nominal value is excluded from share premium. The cumulative balance of €8.5 billion includes the consideration transferred in excess of nominal value of €0.01 for CCIP and CCEG of €5.5 billion and €2.9 billion, respectively.

Retained earnings

The balance in retained earnings represents the opening balance on 1 January 2022, combined with the result for the period, dividends paid and the share-based payment reserve.

Dividends

Dividends are recorded in the period in which they are paid. Refer to Note 17 in the consolidated financial statements.

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Notes to the Company financial statements continued

Note 9
Financial risk management

Financial risk factors, objectives and policies

The Company's activities expose it to several financial risks, market risk and liquidity risk. Financial risk activities are governed by appropriate policies and procedures to minimise the uncertainties these risks create on the Company's future cash flows. Such policies are developed and approved by the Group's treasury and commodities risk committee, through the authority delegated to it by the Board.

Market risk

Market risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market prices and includes interest rate risk, currency risk and other price risk such as commodity price risk. Market risk affects outstanding borrowings, as well as derivative financial instruments.

Interest rates

The Company is subject to interest rate risk for its outstanding borrowings. To manage interest rate risk, the Company maintains a significant proportion of its borrowings at fixed rates.

Currency exchange rates

The Company's exposure to the risk of changes in currency exchange rates relates primarily to its operating activities denominated in currencies other than the functional currency, the euro. To manage currency exchange risk arising from future commercial transactions and recognised monetary assets and liabilities, foreign currency forward and option contracts with external third parties are used. Such cash flow exposures are hedged using a combination of forward and option contracts with third parties.

The Company is exposed to the risk of changes in currency exchange rates between US dollar and euro relating to its US denominated borrowings.

In the statement of financial position, non-current derivative assets represent the fair value (Level 2) of the cross currency swap of the USD denominated debt to EUR.

Liquidity risk

Liquidity risk is actively managed to ensure that the Company has sufficient funds to satisfy its commitments. The Company's sources of capital include, but are not limited to, dividend income, public and private issuances of debt and equity securities and bank borrowings. The Company believes its operating cash flow, cash on hand and available short-term and long-term capital resources are sufficient to fund its working capital requirements, scheduled borrowing payments, interest payments, capital expenditures, benefit plan contributions, income tax obligations and dividends to its shareholders. Counterparties and instruments used to hold cash and cash equivalents are continuously assessed, with a focus on preservation of capital and liquidity. Based on information currently available, the Company does not believe it is at significant risk of default by its counterparties.

Note 10
Auditor's remuneration

Refer to Note 18 of the consolidated financial statements for details of the remuneration of the Company's auditor.

Note 11
Commitments

The Company has fully and unconditionally guaranteed unsecured borrowings outstanding as at 31 December 2022. These borrowings have been issued by CCEP Finance (Ireland) DAC for €3.3 billion, and, prior to the acquisition, Coca-Cola Amatil Limited for €0,8 billion and Coca-Cola Amatil (NZ) Limited for €46 million.

Note 12
Significant events after the reporting period

In January 2023, the Company extended the revolving credit facility maturity date from August 2025 to January 2028. The size of the facility remained unchanged at €1.95 billion.

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Other Information

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Risk factors

This section examines the risks Coca-Cola Europacific Partners (CCEP) faces as a business. These risks may change over time.

Packaging and recycling

Waste and pollution, and the legal and regulatory responses to these issues, could adversely impact our business.

Waste and pollution, particularly plastic and packaging waste, is a global issue affecting our business. Although the vast majority of our packaging is fully recyclable, it is not always collected for recycling across our territories, and can end up as land or marine litter. Concerns regarding the environmental impacts of packaging, have led to laws and regulations that aim to increase the collection and recycling of our packs; reduce packaging waste and litter, including through limiting the use of single use plastic; and introduce quotas for refillable packaging; as well as specific packaging design requirements.

EU member states are in the process of implementing regulations to comply with the obligations of the Single Use Plastics Directive. The obligations include a 90% collection target for plastic bottles by 2029, a requirement that plastic bottles contain at least 30% recycled content by 2030 and a requirement for plastic beverage bottles to include tethered closures by 2024. Some member states have adopted or are in the process of adopting regulations that are stricter than the minimum requirements of the Single Use Plastics Directive.

In November 2022, the European Commission released a proposed revision of the Packaging and Packaging Waste Directive setting mandatory reuse targets on soft drinks and carbonated alcoholic beverages of EU member states (10% by 2030 and 25% by 2040) as well as takeaway beverages filled at the point of sale (20% by 2030 and 80% by 2040), recycled content targets for plastic packaging (30% per single use plastic bottle by 2030 and 65% by 2040) and mandatory Deposit Return Scheme (DRS) by 1 January 2029 for single use plastic bottles and metal containers of up to three litres. Regulations will likely be adopted by EU member states in 2024.

In addition to initiatives at the EU level, several countries in which we operate also have or are planning other legislative or regulatory measures to reduce the use of single use plastics, including plastic beverage bottles, and/or to increase plastic collection and recycling. Such measures may include implementing a DRS under which a deposit fee is added to the consumer price, which is refunded to them if and when the bottle is returned. Other measures may include rules on recycled content, requirements to purchase Packaging Recovery Notes (PRN) to show that we meet our responsibilities for recycling and recovery of packaging waste, individual collection or recycling targets, or a "plastic tax". The adoption of new or more stringent rules in the countries in which we operate could increase our costs and have a material negative impact on our results of operations.

We are also subject to regulations governing the contents of our packaging, and may become subject to more stringent regulations in that regard, For example, EFSA is re-evaluating the level of Bisphenol A (BPA) contact with food and proposes to drastically reduce the tolerable daily intake to a level which would impact our can coating and potentially rPET development considering the traces which could be found. We expect the European Commission, once EFSA makes its final recommendation in Q1 2023, to ban the use of BPA for food contact containers, creating a new procurement and financial constraint and cost.

If we fail to sufficiently address stakeholder concerns about packaging and recycling, or we are not able to adapt our business to new legislation and regulation on a timely or cost-effective basis, or at all, it could result in higher costs through packaging taxes, producer responsibility reform, regulatory fines, damage to corporate reputation or investor confidence, and a reduction of consumer acceptance of our products and packaging.

New recycling technologies may not work or may not be developed quickly enough.

We are exploring innovative ways to achieve the packaging targets that we have set ourselves and those imposed by legislation and regulation, for example by using plastic that has been recycled via enhanced/chemical recycling technologies. There is a risk that these new technologies may not be developed quickly enough or may not work as well as intended, which could limit our ability to mitigate the impact or restrictions on single use plastics. Also, these technologies may be more expensive than current solutions, potentially reducing our profitability.

Legal, regulatory and tax

Future changes to tax laws in the countries in which we operate could adversely affect our business.

We are subject to multiple national, state, regional, and local taxes in the jurisdictions in which we operate, including corporate income tax and sales tax. Tax is a complex evolving area, leading to the risk of increased or unexpected tax costs, and or additional tax reporting obligations. Tax laws could change on a prospective or retroactive basis. Any such changes could adversely affect our business and its affiliates, and there is no assurance that we would be able to maintain any particular worldwide effective corporate tax. An increase in our effective tax rate would negatively impact our results of operations.

The Organisation for Economic Co-operation and Development (OECD) and the Inclusive Framework (IF) have agreed to work together to create a consistent and coordinated approach to reform the international taxation rules to address the tax challenges arising from the digitalisation of the economy and to ensure that multinational enterprises (MNEs) pay a fair share of tax wherever they operate and generate profits (a two pillar solution). In 2021, the Global Anti Base Erosion Model Rules (Pillar Two) was published, providing for a minimum level of taxation on the income arising in each of the jurisdictions where large MNEs operate. The OECD has released detailed commentaries and an implementation framework in 2022, including the Safe Harbours and Penalty Relief guidance. The Pillar Two rules are intended to be implemented during 2023 to be effective from 1 January 2024. Most of the countries where we operate are expected to implement these rules within the indicated timeframe.

Additionally, direct or indirect taxes or other charges imposed on the sale of our products could increase costs or cause consumers to purchase fewer of them. Many countries in which we operate are looking to implement or increase such taxes. These may relate, for example, to the use of non-recycled plastic in beverage packaging, or the use of sugar or other sweeteners in our beverages. Such changes may arise through the raising of an existing tax or the imposition of a new one. For example, EU regulations set a uniform call rate of €0.80 per kilogram to the weight of plastic packaging waste generated in each member state that is not recycled. Every EU member state decides how to collect the money needed to fulfil its contribution. However, we expect some member states to install some sort of recoupment mechanism (a tax) at national level to retrieve the outlays made to the EU. Spain has already implemented a unique plastic tax, and the UK has introduced a plastic packaging tax independent of the European levy.

Risk factors continued

Additional taxes levied on us or our products may increase our costs and decrease consumer demand for our products, which could have a material adverse effect on our results of operations.

Additional taxes levied on us could harm our financial results.

Our tax filings for various periods are or may be subject to current or future audit by tax authorities. These audits have resulted, and may in the future result in assessments of additional taxes, as well as interest and/or penalties, and could adversely affect our financial results. Changes in tax laws, regulations, court rulings, related interpretations, and tax accounting standards in countries in which we operate, or if we are unsuccessful in defending our tax positions, may adversely affect our financial results. Additionally, amounts we may need to repatriate for the payment of dividends, share buybacks, interest on debt, salaries and other costs may be subject to additional taxation when repatriated.

Legal changes could affect our status as a foreign corporation for US federal income tax purposes, or limit the US tax benefits we receive from engaging in certain transactions.

In general, for US federal income tax purposes, a corporation is considered a tax resident in the jurisdiction of its organisation or incorporation. Because CCEP is incorporated under the laws of England and Wales, it would generally be classified as a non-US corporation (and therefore a non-US tax resident) under these rules. However, section 7874 of the US Internal Revenue Code of 1986, as amended (IRC), provides an exception under which a non-US incorporated entity may, in certain circumstances, be treated as a US corporation for US federal income tax purposes.

Under current law, CCEP expects to be treated as a non-US corporation for US federal income tax purposes. However, section 7874 of the IRC and the related US Treasury regulations are complex and there is limited guidance as to their application. In addition, changes to section 7874 of the IRC or the US Treasury Regulations could adversely affect CCEP's status as a foreign corporation for US federal tax purposes, and any such changes could have prospective or retroactive application. If CCEP were to be treated as a US corporation for US federal income tax purposes, it could be subject to materially greater US tax liability than as a non-US corporation.

Legislative or regulatory changes that affect our operations, access to raw materials, products, distribution, or packaging could reduce demand for our products or increase our costs.

Our business model depends on making our products and packages available in multiple channels and locations. Laws that restrict our ability to do so, including laws affecting the promotion and distribution of our products, imposing levies on products with sugar and sweeteners, and limiting our ability to design or market certain packages, could increase our costs, decrease demand for our products, and negatively impact our financial results.

For example, our products are subject to, and may in the future be subject to additional marketing and commercial restrictions based on ultra-processed food or nutrition grounds, promotions or marketing to children, or pressure from customers or regulators to develop discriminatory front of pack labelling such as Nutriscore.

Additionally, we are subject to licensing and other regulatory requirements in the jurisdictions in which we operate, and changes in these rules could increase our compliance costs or impact our ability to operate.

We may be exposed to risks in relation to compliance with anti-corruption laws and other key regulations and economic sanctions programmes.

We and our subsidiaries are required to comply with the laws and regulations of the various countries in which we conduct business, as well as certain laws of other countries, including the US. In particular, our operations are subject to anti-corruption laws such as the US Foreign Corrupt Practices Act of 1977 (the FCPA), the UK Bribery Act 2010 (UKBA), the Spanish and Portuguese Criminal Codes and Sapin II, and other key regulations such as the corporate criminal offence provisions of the UK Criminal Finances Act 2017 and the General Data Protection Regulation (GDPR). We are also subject to economic sanction programmes, including those administered by the United Nations, the EU and the Office of Foreign Assets Control of the US Department of the Treasury (OFAC), and regulations set forth under the US Comprehensive Iran Sanctions, Accountability, and Divestment Act.

A GDPR violation could lead to fines of up to 4% of our global annual turnover, as well as negatively affect our reputation. In addition, EU personal data transfers to third countries are subject to significant and evolving compliance requirements, including risk assessments of foreign government surveillance, execution of standard contractual clauses with third parties and potential supplemental measures. Non-compliance with such transfer requirements would result in a GDPR violation.

The FCPA, UKBA, and other anti-corruption regulations are aimed at preventing bribery in dealings with foreign entities. These rules are complex and may reach our dealings with both public and private sector entities and officials. In our business dealings, we may deal with governments, state owned business enterprises, and private sector entities.

We do not currently operate in jurisdictions that are subject to territorial sanctions imposed by OFAC or other relevant sanction authorities. However, such economic sanction programmes restrict our ability to engage or confirm business dealings with certain sanctioned countries and with sanctioned parties.

Violations of the above, including anti-corruption, GDPR, economic sanctions, competition law or other applicable laws and regulations are punishable by civil and sometimes criminal penalties for individuals and companies. These penalties can include fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts (and termination of existing contracts) to revocations or restrictions of licences, as well as criminal fines and imprisonment. Any violation within one of these compliance risk areas could have a negative impact on our reputation and on our ability to win future business.

We cannot guarantee that our compliance programmes, policies and procedures will be followed at all times, or that we will always detect and prevent violations of the applicable laws by our employees, consultants, agents or partners. Implementing new or additional internal compliance systems or oversights may also increase our operating costs.

Legal claims against our vendors could affect their ability to provide us with products and services, which could negatively impact our financial results.

Many of our vendors supply us with products and services that rely on certain intellectual property rights or other proprietary information, and are subject to other third party rights, laws and regulations. If these vendors face legal claims brought by third parties or regulatory authorities, they could be required to pay large settlements or even cease providing us with products and services as well as expose us to risk.

Risk factors continued

These outcomes could require us to change vendors or develop replacement solutions or be subject to third party claims. This could result in business inefficiencies, delays, or higher costs, which could negatively impact our financial results.

Litigation or legal proceedings could expose us to significant liabilities and damage our reputation.

We are a party to various litigation claims and legal proceedings. We evaluate these claims and proceedings to assess the likelihood of unfavourable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we establish reserves or disclose the relevant claims or proceedings, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgement. Actual outcomes or losses may differ materially from those in the current assessments and estimates.

Improper conduct by our employees could damage our reputation or lead to litigation or legal proceedings that could result in civil or criminal penalties, including substantial monetary fines as well as disgorgement of profits.

Business disruption

Global or regional catastrophic events could negatively impact our business and financial results.

Our business may be affected by prolonged internal and/or external disruptive events, including natural disasters such as hurricanes, floods, fires, earthquakes, and health crises such as pandemics, and man-made events such as wars and political turmoil, that may have a material impact on our ability to operate the business, or on our suppliers or customers. Recent examples of disruptive events include the COVID-19 pandemic and the current conflict between Russia and Ukraine, which have directly and indirectly impacted us and our consumers. Other examples include the loss of critical assets and infrastructure, the loss of (or loss of access to) critical employees, including through government lockdowns or industrial disputes, major information technology (IT) outages due to a cyber incident or similar, and the failure of third party supplied raw materials, critical services or utilities such as electricity, gas and water.

These disruptive events could have a material adverse impact on our sales volume, cost of sales, earnings, and overall financial condition.

Cyber and social engineering attacks and IT infrastructure

Cyber attacks, or a deficiency in our cyber security or a customer's or supplier's cyber security, could negatively impact our business.

As our reliance on IT increases, so will the risks posed to our internal and third party systems from cyber incidents.

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of our data or information systems. It could involve a third party gaining unauthorised access to systems, either unintentionally or through an intentional attack (such as activities due to war, state sponsored cyber terrorism, criminal attack, hacking or a computer virus), which could disrupt operations, compromise or corrupt data, damage our brand reputation, threaten our Company or employees and negatively impact our financial results.

Our business processes require high levels of integration between our IT systems and the systems of third parties (suppliers, customers, business partners, systems providers) and companies that we invest in or acquire. A cyber incident at any of those entities could either spread to our systems or indirectly have a negative impact on our ability to operate. Similarly, cyber attacks in one country might impact our ability to do business in other countries due to the dependencies on information systems and applications.

Technology failures could disrupt our operations and negatively impact our business.

We rely extensively on IT systems to process, transmit, store and protect electronic information. For example, our production and distribution facilities and inventory management all use IT to maximise efficiencies and minimise costs. Communication between our employees, customers, and suppliers also depends, to a large extent, on IT.

Our IT and operational technology (OT) systems may be vulnerable to interruptions due to implementation of new systems or systems upgrades (such as our system applications and product in data processing (SAP) and its modules) and events that may be beyond our control. These include, but are not limited to, natural disasters, telecommunications failures, power outages, hardware failures, human error and security issues, such as cyber attacks. Centralisation of IT systems might increase the impact of a failure of IT applications. We have IT security controls, processes and disaster recovery plans in place, but they may not be adequate or implemented effectively enough to ensure that our operations are not disrupted. If we miscalculate the level of investment needed, our software, hardware and maintenance practices could become out of date, and this could result in disruptions to our business. In addition, when we integrate new entities following investment or acquisition, the integration of IT systems and applications for those entities will increase the complexity and the risk level of our IT infrastructure.

Economic and political conditions

The deterioration of global and local economic and political conditions could adversely affect our business performance and share price.

Our performance is closely linked to the global economic cycle as well as macro and microeconomic conditions in the countries, regions and cities where we operate. Normally, slow economic growth or economic contraction decreases demand and drives down sales.

For example, adverse economic conditions decrease individuals' disposable income, potentially leading to the purchase of cheaper private label brands, or avoiding buying beverage products altogether. A weak economic climate could also increase the likelihood of customer delinquencies and bankruptcies, which would increase the risk of accounts being deemed uncollectible. For these reasons, a slowing economy would likely adversely impact our business, operational results, financial condition and share price.

Currently, many major economies are going through monetary tightening to contain high inflation following a multi year monetary and fiscal expansion and supply chain dislocations. The war in Ukraine is further increasing the uncertainty and volatility, mainly through energy prices and supply uncertainty.

Risk factors continued

The ongoing uncertainties around economic growth, employment, inflation, commodities, currencies, costs, and the availability of financial resources could directly impact our business, operating results, financial conditions, cash flows, liquidity requirements and share price. Geopolitical concerns are higher than last year, particularly with the war in Ukraine, the refugee crisis, and elections resulting in more populist or extremist parties gaining support and polarised coalition governments, creating a very volatile macroeconomic environment.

Other key external economic and political factors also have the potential to specifically impact API, including economic and political instability in Papua New Guinea (PNG) and the impact on foreign currency availability, tariffs and protectionism, geopolitical turbulence in the form of US-China trade wars and trade tension between Australia and China. Low economic growth might be compounded in economies overly exposed to the tourism sector (e.g. Fiji, Bali and New Zealand to a degree) due to COVID-19 border restrictions and impact on people's willingness to travel. Additionally, API is exposed to PNG liquidity risks and the associated impact on short-term profitability. Access to foreign exchange in PNG is limited due to a supply/demand imbalance of hard currency. The PNG kina (PGK) is considered to be overvalued. If the PNG Government requires assistance from the International Monetary Fund to fund its budget deficit, it could require the PGK to be devalued which could significantly impact API's financial results upon translation of PGK earnings and balance sheet into Australian dollars.

Increases in costs, limitation of supplies, or lower than expected quality of raw materials could harm our financial results.

The cost of our raw materials, ingredients, packaging materials or energy could increase over time. If that happens, and if we are unable to pass the increased costs on to our customers in the form of higher prices, our financial results could be adversely affected.

We use supplier pricing agreements and derivative financial instruments to manage volatility and market risk for certain commodities. Generally, these hedging instruments establish the purchase price before the time of delivery, which may lock us into prices that are ultimately higher or lower than the actual market price at the time of delivery.

We continue to experience volatility in commodity prices and foreign exchange mainly driven by central banks' global tightening policies; supply chain disruptions due to military conflicts, ever changing COVID-19 policies on a regional or global scale; political uncertainty across key global powers; and increased protectionist policies.

Our suppliers could be adversely affected by a number of external events. These could include war, strikes, adverse weather conditions, speculation, abnormally high demand, governmental controls, new taxes, national emergencies, natural disasters, health crises, such as a pandemic, and insolvency. If this happens, and we are unable to find an alternative source for our materials, our cost of sales, revenues, and ability to manufacture and distribute products could be adversely affected.

The quality of the materials or finished goods delivered to us could be lower than expected. If this happens, we may need to substitute those items for ones that meet our standards, or replace underperforming suppliers. This could disrupt our operations and adversely affect our business.

Changes in interest rates or our debt rating could harm our financial results and financial position.

We are subject to interest rate risk, and changes in our debt rating could have a material adverse effect on interest costs and debt financing sources. Our debt rating can be materially influenced by a range of factors, including our financial performance, acquisitions, and investment decisions, as well as the capital management activities of The Coca-Cola Company (TCCC) and changes in the debt rating of TCCC.

The deterioration in political unity within the EU could significantly impact our financial results and reduce our competitiveness in the marketplace.

There are concerns regarding the short-term and long-term stability of the euro and pound sterling and the euro's ability to serve as a single currency for a number of individual countries. These concerns could lead individual countries to revert, or threaten to revert, to local currencies. In more extreme circumstances, they could exit the EU, and the Eurozone could be dissolved entirely. Should this occur, the assets we hold in a country that reintroduces local currency could be subject to significant changes in value when expressed in euros. Furthermore, the full or partial dissolution of the euro, the exit of one or more EU member states from the EU or the full dissolution of the EU could cause significant volatility and disruption to the global economy. This could affect our ability to access capital at acceptable financing costs, the availability of supplies and materials, and demand for our products, all of which could adversely impact our financial results.

If it becomes necessary for us to use additional currencies, we would be subjected to additional earnings volatility as amounts in these currencies are translated into euros.

Consequences of Brexit could continue to impact our profits.

The EU and the United Kingdom (UK) Trade and Cooperation Agreement (TCA) provides the framework for the relationship between the EU and the UK and consists of a free trade agreement, a partnership for citizens' security and a horizontal agreement on governance.

Besides trade in goods and services, the TCA also covers a broad range of areas, such as investment, competition, state aid, tax transparency, air and road transport, energy and sustainability, data protection, and social security coordination. The EU and the UK may agree to additional agreements covering other areas of cooperation in the future.

The full impact of Brexit is still unclear and there is still uncertainty about the future relationship between the EU and the UK. Our operations may be adversely affected if this relationship deteriorates or if further trade restrictions are implemented.

Political instability could negatively impact our operations and profits.

We continue to be exposed to risks associated with political instability in different parts of our territories.

Such instability could result in prolonged political, economic and operational uncertainty for our business, our customers and consumers, with potential impacts on tourism, private consumption and regulation.

Risk factors continued

Default by or failure of one or more of our counterparty financial institutions could cause us to incur losses.

We are exposed to the risk of default by, or failure of, counterparty financial institutions with which we do business. This risk may be heightened during economic downturns and periods of uncertainty in the financial markets.

If one of our counterparties became insolvent or filed for bankruptcy, our ability to recover amounts owed from or held in accounts with the counterparty may be limited. In this event we could incur losses, which could negatively impact our results and financial condition.

Market

We may not be able to respond successfully to changes in the marketplace.

We operate in the highly competitive beverage industry and face strong competition from other general and speciality beverage companies. The timing and effectiveness of our response to continued and increased competitor and customer consolidations and marketplace competition may result in lower than expected net pricing of our products. Additionally, the loss of key contracts or customers to our competitors may decrease our sales volume, revenues and profitability and damage our reputation.

Changes in our relationships with large customers may adversely impact our financial results.

A significant amount of our volume is sold through large retail chains, including supermarkets and wholesalers. Many of these customers are consolidating, or are forming buying groups, which increases their purchasing power. They may seek to use this to improve their profitability through lower prices, increased emphasis on generic and other private label brands, or increased promotional programmes and payment of rebates.

Competition from hard discount retailers and online retailers continues to challenge traditional retail outlets. This can increase the pressure on all customer margins, which may then be reflected in pressure on suppliers such as us.

In addition, from time to time a customer or customers choose(s) to temporarily or permanently stop selling some of our products as a result of disputes with us.

These factors, can have a negative impact on the availability of our products, and our profitability.

Adverse weather conditions could limit the demand for our products.

Our sales are significantly influenced by weather conditions in the countries in which we operate. In particular, due to the seasonality of our business, cold or wet weather during the summer months may have a negative impact on the demand for our products and contribute to lower sales. This could have an adverse effect on our financial results.

Our business is vulnerable to products being imported from outside our territories, which adversely affects our sales.

Some of the territories in which we operate permit imports of products manufactured by bottlers from countries outside our territories. When these imports come from members of the EEA, we are prohibited from taking action to stop such imports.

Climate change and water

Water scarcity and additional regulations on water supply or use could adversely impact our business.

Water is the primary ingredient in most of our products. It is also vital to our manufacturing processes and is needed to produce the agricultural ingredients that are essential to our business. Water scarcity and a deterioration in the quality of available water sources in our territories or to our supply chain, even if temporary, may result in increased production costs or capacity constraints. This could adversely affect our ability to produce and sell our beverages, and increase our costs.

Climate change, and the legal and regulatory responses there, could adversely impact our business.

Climate change is resulting in global average temperature increases and extreme weather conditions around the world. More frequent extreme weather events, such as storms or floods in our territories, could disrupt our facilities and distribution network, further impacting our business. It may also lead to decreased agricultural productivity in certain regions of the world that limits the availability or increases the cost of key raw materials that we use to produce our products. Additional climate laws may affect other areas of our business, such a production, distribution, packaging or the cost of raw materials.

Concern over climate change has led to more environmental legislative and regulatory initiatives at an EU and national level. These include areas such as greenhouse gas (GHG) emissions, water use and energy efficiency. At the EU level, the proposed European Climate law provides for a reduction in GHG by at least 55% compared to 1990 levels by 2030, in line with the EU's goal of becoming carbon neutral by 2050. Also, at a national level, we have seen several countries in which we operate introduce, or start the process of introducing, legislation and regulation.

Governments and private parties are increasingly filing lawsuits or initiating regulatory action based on allegations that certain public statements regarding sustainability-related matters and practices by companies are "greenwashing," i.e. misleading information or false claims overstating potential benefits. Threat of such actions presents additional uncertainty regarding the extent we may face increased risk of liability stemming from our climate change or sustainability practices.

As part of our commitment to addressing our climate change impacts, we are investing in technologies that improve the energy efficiency of our operations and reduce GHG emissions related to our packaging, cold drink equipment (CDE) and transportation. In general, the cost of these investments is greater than investments in less energy efficient technologies, and the period of return is often longer, and there is a risk that we may not achieve our desired returns.

Risk factors continued

Perceived health impact of our beverages and ingredients, and changing consumer buying trends

Health concerns could reduce consumer demand for some of our products, impacting our financial performance.

There is concern that the public health consequences of obesity, particularly among young people, are increasing. Health advocates and dietary guidelines suggest that consumption of sugar sweetened beverages is a cause of increased obesity rates, and are encouraging consumers to reduce or eliminate consumption of such products. In addition, governments have introduced stronger regulations around the marketing, labelling, packaging, or sale of sugar sweetened beverages. These concerns and regulations could reduce demand for, or increase the cost of our sugar sweetened beverages.

At the same time, there is additional scrutiny by WHO, EFSA and national health authorities on sweeteners with many studies and impact assessments on health ongoing. Some of these studies may lead to additional regulatory constraints or additional tax, like in France, where a soda tax applies to both products with sugar and sweeteners.

Consumer trends have also led to an increased demand for low-calorie soft drinks, water, enhanced water, isotonics, energy drinks, teas, coffees and beverages with natural ingredients. If we are unable to meet this demand by providing a broad enough range of products, our business and financial results could be negatively impacted.

Business transformation, integration and digital capability

We may not identify sufficient initiatives to realise our cost saving goals to stay competitive.

We continue to assess opportunities for improvements as part of the ongoing business strategy to enable us to remain competitive in the future. This strategic objective encompasses three areas: technology transformation, supply chain and commercial improvements, and working efficiently with our partners and franchisors.

The initiatives are complex due to their multi functional and multi country nature. Ineffective coordination and control over single initiatives and interdependent initiatives could result in us failing to realise the expected benefits.

Restructuring could cause labour and union unrest.

Since our inception, we have restructured in all countries and functions, resulting in a combination of redeployment and layoffs. While we continue to look for opportunities to maintain and improve our position within the market, this might have a negative impact on our relationship with our employee representatives and social partners, and could cause labour and union unrest. Continual change might trigger change fatigue among our people or social unrest in the event that such changes result in industrial action.

In the past, we have sought to minimise union unrest through constructive social dialogue, e.g. on employability, which has not affected our ability to achieve our objectives. However, there is no guarantee that our efforts will continue to be successful or have the desired effect.

Miscalculation of our need for infrastructure investment could impact our financial results.

To support revenue growth we are investing in our infrastructure, including CDE, fleet, technology, sales force, digital capability and production equipment. There is a risk that these investments will not generate the projected returns, either because of market or technological changes, ineffective adoption of capabilities, or because the projected requirements of the investments differ from actual levels. This could adversely affect our financial results.

We may not be able to execute our strategy to pursue suitable acquisitions or may have difficulty integrating acquired businesses.

Our strategy involves, in part, pursuing disciplined and attractive investments, which are intended to create shareholder value. Our efforts to execute this strategy require us to identify suitable acquisition targets, negotiate, and close acquisition and development transactions. Further, to the extent that we are able to identify suitable investments, may not proceed as anticipated or that management attention will be diverted by such opportunities, and there is no guarantee that these investments will support our growth or achieve the intended result.

People and wellbeing

Failure to attract, retain and motivate existing and future employees.

Our ability to achieve our strategic objectives is reliant on having the right talent and people. The increasing importance of flexible working and future work topics brings the challenge of attracting, retaining and motivating existing and future employees who have the right talent, required technical skill set, and the expected levels of motivation to deliver. As a result, we could fail to achieve our strategic objectives and could experience a decline in employee engagement, industrial action, reputational damage or litigation.

Increases in the cost of wages and employee benefits, including pension retirement benefits, could impact our financial results and cash flow.

The increases in the cost of wages and employee benefits, including retirement benefits, may affect our financial results and cash flow.

The increasing inflationary trend combined with high employment levels we see globally will put pressure on future wage negotiations and the anticipated salary budget. We are engaged in a dialogue with social partners on this issue. However, we cannot guarantee that our efforts will be successful in creating consensus or that unions representing our employees will not take future actions that are disadvantageous to us.

Adverse effects on our people's health, wellbeing and safety could impact our business.

Failure to adequately manage workplace hazards or abide by our health and safety policies and guidelines could result in injuries and death of our people. In turn, this can have an adverse impact on employee engagement and productivity levels. The COVID-19 pandemic may continue to affect the business with a higher degree of mental health issues and increased absence rates for employees. Wellbeing initiatives require new approaches to reach all employees, especially when restructuring takes place, which potentially increases the risk to us of long-term absence and loss of productivity levels.

Risk factors continued

Relationship with TCCC and other franchisors

Our business success, including our financial results, depends on our relationship with TCCC and other franchisors.

Around 90% of our revenue for the year ended 31 December 2022 was derived from the distribution of beverages under agreements with TCCC. We make, sell and distribute these products through fixed term bottling agreements with TCCC, which typically include the following terms:

- We purchase our entire requirement of concentrates and syrups for Coca-Cola trademark beverages (sparkling beverages bearing the trademark "Coca-Cola" or the "Coke" brand name) and allied beverages (beverages of TCCC or its subsidiaries, but not Coca-Cola trademark beverages or energy drinks) from TCCC. Prices, terms of payment, and other terms and conditions of supply are determined from time to time by TCCC at its sole discretion.
- There are no limits on the prices that TCCC may charge for concentrate. TCCC maintains current effective concentrate incidence at the same levels that CCE, CCIP and CCEG had in place before the Merger, provided certain specific mutually agreed metrics are achieved.
- Much of the marketing and promotional support that we receive from TCCC is at its discretion. Programmes may contain requirements, or be subject to conditions, established by TCCC that we may not be able to achieve or satisfy. The terms of most of the marketing programmes do not and will not contain an express obligation for TCCC to participate in future programmes or continue past levels of payments into the future.
- Our bottling agreements with TCCC are for fixed terms, and most of them are renewable only at the discretion of TCCC at the conclusion of their terms. A decision by TCCC not to renew a fixed term bottling agreement at the end of its term could substantially and adversely affect our financial results.
- We are obligated to maintain sound financial capacity to perform our duties, as required and determined by TCCC at its sole discretion. These duties include, but are not limited to, making certain investments in marketing activities to stimulate the demand for products in our territories and making infrastructure improvements to ensure our facilities and distribution network are capable of handling the demand for these beverages.

Disagreements with TCCC concerning business issues may lead TCCC to act adversely to our interests with respect to these relationships, which could have a material adverse effect on our business, results of operations, business and customers relationships, and reputation.

TCCC and Olive Partners, S.A. (Olive Partners) hold significant shareholdings in CCEP and their views may differ from those of our public shareholders.

Around 19% and 36% of CCEP's Shares are owned by European Refreshments (ER, a wholly owned subsidiary of TCCC) and Olive Partners respectively. Five of our directors, including the Chairman, were nominated by Olive Partners, and two of our directors were nominated by ER. As a result of their shareholdings and board seats, TCCC and Olive Partners can influence matters requiring shareholder and Board approval, subject to our Articles of Association and the Shareholders' Agreement. The views and interests of TCCC and Olive Partners may not always align with each other or those of other shareholders.

Product quality

Our business could be adversely affected if we, TCCC or other franchisors and manufacturers of the products we distribute are unable to maintain a positive brand image as a result of product safety, product quality, food defence or food fraud issues.

Our success depends on our products, and those of TCCC and other franchisors, having a positive brand image among customers and consumers. Product quality issues, whether real or perceived, or allegations of product contamination, even if false or unfounded, could tarnish the image of our products and result in customers and consumers choosing other products. Similarly, if product quality issues arise from products not manufactured by us but imported into one of our territories, our reputation and consumer goodwill could be damaged.

Product liability claims or product recalls could also negatively impact our brand image and business results. We could be liable if the consumption of our products causes injuries or illness. We could also be required to recall products if they become unsafe to consume through contamination, damage or because of labelling errors such as the failure to declare an allergen.

Opinions about our business, including opinions about the health and safety of our products, can spread quickly through social media. If we fail to respond to any negative opinions effectively and in a timely manner, this could harm the perception of our brands and damage our reputation, regardless of the validity of the statements, and negatively impact our financial results.

Other Group information

Shareholder information

The Company was incorporated in England and Wales on 4 August 2015, as a private company under the Companies Act 2006 (the Companies Act). On 4 May 2016, the Company was registered as a public company limited by shares and changed its name from Coca-Cola European Partners Limited to Coca-Cola European Partners plc. On 10 May 2021, the Company changed its name from Coca-Cola European Partners plc to Coca-Cola Europacific Partners plc. It is registered at Companies House, Cardiff, under company number 9717350. The business address for Directors and senior management is Pemberton House, Bakers Road, Uxbridge, UB8 1EZ, England.

The Company is resident in the UK for tax purposes. Its primary objective is to make, sell and distribute ready to drink beverages.

Annual General Meeting

It is intended that the Company's 2023 Annual General Meeting (AGM) will be held on 24 May 2023. However, shareholders will be notified if the Company may be required to make alternative arrangements.

Registered shareholders will be sent a Notice of AGM, or notice of availability of the Notice of AGM, closer to the time of the AGM, and will be notified of any change affecting the AGM through an appropriate channel.

Directors and senior management

Biographies of the Directors and senior management are set out on pages 89 - 96. Sol Daurella and Alfonso Líbano Daurella are first cousins.

Service contracts and loss of office arrangements

It is the Remuneration Committee's policy that there should be no element of reward for failure. When considering payments in the event of a loss of office, it takes account of the individual circumstances, including the reason for the loss of office, Group and individual performance, contractual obligations of both parties as well as share and pension plan rules.

Service contracts for Executive Directors provide for a notice period of not more than 12 months from CCEP and not more than 12 months from the individual. The standard Executive Director service contract does not confer any right to additional payments in the event of termination. However, it does reserve the right for the Group to impose garden leave (i.e. leave with pay) on the Executive Director during any notice period. In the event of redundancy, benefits would be paid according to CCEP's redundancy guidelines for GB prevailing at that time. Executive Directors may be eligible for a pro rata bonus for the period served, subject to performance, but no bonus will be paid in the event of gross misconduct. The treatment of unvested long-term incentive awards is governed by the rules of the relevant plan and depends on the reasons for leaving. The cost of legal fees spent on reviewing a settlement agreement on departure may be provided where appropriate. The Company also reserves the right to pay for outplacement services as appropriate.

The Non-executive Directors (NEDs), including the Chairman of the Board, do not have service contracts but have letters of appointment. NEDs are not entitled to compensation on leaving the Board.

Directors and senior management interest in shares

Other than Sol Daurella, Alfonso Líbano Daurella and José Ignacio Comenge, who indirectly owned 7.3% (33,357,869 Shares), 1.5% (6,696,072 Shares), and 1.7% (7,836,065 Shares) of the Shares outstanding as of 28 February 2023, respectively, no Director or member of senior management individually owned more than 1% of the Company's Shares as of 28 February 2023.

Table 1 shows the number of share options held by Directors and other members of senior management as at 28 February 2023, including the applicable exercise price and the date when the applicable exercise period ends.

Other employee-related matters

Note 18 to the consolidated financial statements provides a breakdown of employees by main category of activity. As at 31 December 2022, we had around 33,000 employees, of whom none were located in the US. We have seen a significant increase in the number of employees as a result of API integration. A number of our employees in Europe and API are covered by collectively bargained labour agreements, most of which do not expire. However, wage rates, in some countries must be renegotiated at various dates throughout 2023. We believe we will be able to renegotiate these wage rates with satisfactory terms.

Table 1
Share options held by Directors and other members of senior management as at 28 February 2023

Name	Grant date	Expiry date	Exercise price	Total number of Shares subject to outstanding options including exercisable and unvested options
Damian Gammell	5 November 2015	5 November 2025	US$39.00	324,643
Veronique Vuillod	31 October 2013	31 October 2023	US$31.46	1,777
Veronique Vuillod	30 October 2014	30 October 2024	US$32.51	3,200

Other Group information continued

Nature of trading market

The Company has one class of ordinary shares. These shares are traded on the Nasdaq Stock Market (XNAS), London Stock Exchange (LSE), Euronext Amsterdam (AEX) and the Spanish Stock Exchanges (of which the lead exchange is Madrid (MADX)).

Listing information

Ticker symbol (all exchanges)	CCEP
ISIN code	GB00BDCPN049
Legal entity identifier	549300LTH67W4GWMRF57
CUSIP	G25839104
SEDOL number (XNAS)	BYQQ3P5
SEDOL number (LSE)	BDCPN04
SEDOL number (AEX)	BD4D942
SEDOL number (MADX)	BYSXXS7

Share capital

The Articles of Association of the Company (the Articles) contain no upper limit on the authorised share capital of the Company. Subject to certain limitations under the Shareholders' Agreement, the Board has the authority to offer, allot, grant options over or otherwise deal with or dispose of shares to such persons, at such times, for such consideration and upon such terms as the Board may decide, only if approved by ordinary resolution of our shareholders.

As at 31 December 2022, the Company had 457,106,453 Shares, nominal value €0.01 per share, issued and fully paid. As at 28 February 2023, the Company had 457,187,830 Shares issued and fully paid.

Under the Shareholders' Agreement and the Articles, the Company is permitted to issue, or grant to any person rights to be issued, securities, in one or a series of related transactions, in each case representing 20% or more of our issued share capital, only if approved in advance by special resolution of our shareholders.

Pursuant to this authority, our shareholders have passed resolutions allowing a maximum of a further 304,514,012 Shares (as of 28 February 2023) to be allotted and issued, subject to the restrictions set out below:

(1) pursuant to a shareholder resolution passed on 27 May 2022 regarding the authority to allot new shares, the Board is authorised to allot shares and to grant rights to subscribe for or convert any security into shares:

   a. up to a nominal amount of €1,522,570.06 (representing 152,257,006 Shares; such amount to be reduced by any allotments or grants made under paragraph 1(b) below in excess of such sum); and

   b. comprising equity securities (as defined in the Companies Act) up to a nominal amount of €3,045,140.12 (representing 304,514,012 Shares; such amount to be reduced by any allotments or grants made under paragraph 1(a) above) in connection with an offer by way of a rights issue:

      i. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

      ii. to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary,

   and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

(2) pursuant to a shareholder resolution passed on 27 May 2022 regarding authority to disapply pre-emption rights, the Board is authorised to allot equity securities (as defined in the Companies Act) for cash under the authority given by the shareholder resolution described in paragraph 1 above and/or to sell shares held by the Company as treasury shares for cash as if section 561 of the Companies Act did not apply to any such allotment or sale, such power to be limited:

   a. to the allotment of equity securities and sale of treasury shares in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph 1(b) above, by way of a rights issue only):

      i. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and

      ii. to holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary,

   and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

   b. in the case of the authority granted under paragraph 1(a) above and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph 2(a) above) up to a nominal amount of €228,385.50 (representing 22,838,550 Shares).

Other Group information continued

Shares not representing capital

None.

Shares held by CCEP

We are not permitted under English law to hold our own Shares unless they are repurchased by us and held in treasury. At our 2022 AGM, our shareholders passed a special resolution that allows us to buy back our own Shares in the market as permitted by the Companies Act. On 13 February 2020, the Board announced a share buyback programme of up to €1 billion. All Shares repurchased as part of the buyback programme have been cancelled. Details of the Shares bought back are provided under Share buyback programme below. In light of macroeconomic uncertainty brought about by the outbreak of COVID-19, on 23 March 2020, the Company announced the suspension of the buyback programme until further notice.

Share-based payment awards

Table 2 shows the share-based payment awards outstanding under each of the CCE 2010 Incentive Award Plan (2010 Plan) and the Long-Term Incentive Plan 2016 (CCEP LTIP) as at 31 December 2022 and 28 February 2023.

For more details about the share plans and awards granted see Note 22 to the consolidated financial statements on pages 199-200.

History of share capital

Table 3 on page 233 sets out the history of our share capital for the period from 1 January 2020 until 28 February 2023.

Share buyback programme

The maximum number of Shares authorised for purchase at the 2022 AGM was 45,677,101 Shares, representing 10% of the issued Shares at 11 April 2022, reduced by the number of Shares purchased, or agreed to be purchased after 11 April 2022 and before 27 May 2022. No Shares have been purchased under the 2022 shareholder authority as at the date of this report. The existing authority to buy back Shares will expire at the 2023 AGM. We intend to seek shareholder approval to renew the authority to buy back Shares.

US shareholders

To the knowledge of the Company, 205 holders of record with an address in the US held a total of 457,119,678 Shares (or 99.98% of the total number of issued Shares outstanding) as at 28 February 2023. However, some Shares are registered in the names of nominees, meaning that the number of shareholders with registered addresses in the US may not be representative of the number of beneficial owners of Shares resident in the US.

Table 2
Outstanding share-based payment awards

Plan	Date of award (dd/mm/yy)	Type of award[A]	Total number of Shares awarded to employees outstanding as at 31 December 2022	Total number of Shares awarded to employees outstanding as at 28 February 2023[B]	Price per Share payable on exercise/ transfer (US$)	Expiration date (dd/mm/yy)
2010 Plan	31/10/13	Option	194,978	190,848	31.46	31/10/23
	30/10/14	Option	1,067,554	992,004	32.51	30/10/24
	05/11/15	Option	1,009,881	1,009,881	39.00	05/11/25
CCEP LTIP	17/03/20	PSU	379,240	379,075	—	17/03/23
	17/03/20	RSU	35,833	35,807	—	17/03/23
	14/12/20	PSU	14,504	14,504	—	17/03/23
	14/12/20	RSU	3,744	3,744	—	17/03/23
	25/06/21	PSU	312	312	—	17/03/23
	25/06/21	RSU	620	—	—	22/02/23
	25/06/21	RSU	312	312	—	17/03/23
	29/09/21	PSU	435,153	432,204	—	15/03/24
	29/09/21	RSU	39,831	39,545	—	15/03/24
	25/11/21	PSU	670	670	—	15/03/24
	25/11/21	RSU	34	34	—	15/03/24
	10/03/22	PSU	473,753	469,533	—	09/03/25
	10/03/22	RSU	1,146	1,146	—	17/03/23
	10/03/22	RSU	1,521	1,521	—	15/03/24
	10/03/22	RSU	375	375	—	01/03/25
	10/03/22	RSU	46,236	45,789	—	09/03/25
	05/09/22	PSU	11,800	11,800	—	10/03/25

(A) PSU is performance share unit. RSU is restricted stock unit.
(B) When an employee leaves CCEP, the expiration date of their options is shortened so options with a new expiration date may appear between the year end and the later reporting date. These are not new options but options that have been moved from another row in the table.

Other Group information continued

Table 3
Share capital history

Period	Nature of Share issuance	Number of Shares	Consideration	Cumulative balance of issued Shares at end of period
1 January 2020	Opening balance	456,399,877	N/A	456,399,877
1 January to 31 December 2020	Shares issued in connection with the exercise of stock options	763,103	Exercise price per Share ranging from US$18.40 to US$32.51	457,162,980
1 January to 31 December 2020	Shares issued in connection with the fulfilment of RSU and PSU share-based payment awards	547,730	Nil	457,710,710
1 January to 31 December 2020	Shares cancelled as part of buyback programme	(3,065,200)	€128 million	454,645,510
1 January to 31 December 2021	Shares issued in connection with the exercise of stock options	1,290,506	Exercise price per Share ranging from US$19.68 to US$32.51	455,936,016
1 January to 31 December 2021	Shares issued in connection with the fulfilment of RSU and PSU share-based payment awards	299,016	Nil	456,235,032
1 January to 31 December 2021	Shares cancelled as part of buyback programme	—	—	456,235,032
1 January to 31 December 2022	Shares issued in connection with the exercise of stock options	482,420	Exercise price per Share ranging from US$23.21 to US$32.51	456,717,452
1 January to 31 December 2022	Shares issued in connection with the fulfilment of RSU and PSU share-based payment awards	389,001	Nil	457,106,453
1 January to 31 December 2022	Shares cancelled as part of buyback programme	—	—	457,106,453
1 January to 28 February 2023	Shares issued in connection with the exercise of stock options	80,757	Exercise price per Share ranging from US$31.46 to US$32.51	457,187,210
1 January to 28 February 2023	Shares issued in connection with the fulfilment of RSU and PSU share-based payment awards	620	Nil	457,187,830
1 January to 28 February 2023	Shares cancelled as part of buyback programme	—	—	457,187,830

Other Group information continued

Marketing

CCEP relies extensively on advertising and sales promotions to market its products. TCCC and other franchisors advertise in all major media to promote sales in the local areas we serve. We also benefit from regional, local and global advertising programmes conducted by TCCC and other franchisors. Certain advertising expenditures by TCCC and other franchisors are made pursuant to annual arrangements.

CCEP and TCCC engage in a variety of marketing programmes to promote the sale of TCCC's products in territories in which we operate. The amounts to be paid to us by TCCC under the programmes are determined annually and are periodically reassessed as the programmes progress. Marketing support funding programmes entered into with TCCC provide financial support, principally based on our product sales or on the completion of stated requirements, to offset a portion of the cost of our marketing programmes. Except in certain limited circumstances, TCCC has no specified contractual obligation to participate in expenditures for advertising, marketing and other support in our territories. The terms of similar programmes TCCC may have with other licensees and the amounts paid by TCCC under them could differ from CCEP's arrangements.

We take part in various programmes and arrangements with customers to increase the sale of products. These include arrangements under which allowances can be earned by customers for attaining agreed sales levels or for participating in specific marketing programmes.

Dependence on franchisors

As a franchise business, CCEP's business success, including its financial results, depends upon its relationships with TCCC and its other franchisors.

For more about our relationships with franchisors, see the Risk factors on page 229

Competition

CCEP competes mainly in the manufacturing, sale and distribution of non-alcoholic ready to drink (NARTD) beverages industry and adjacencies, including squashes/cordials, hot beverages, low alcoholic beverages and premium spirits. CCEP competes in the Western Europe and API segments, and primarily manufactures, sells and distributes the products of TCCC, as well as those of other franchisors such as Monster Energy.

CCEP competes mainly with:

- NARTD and non-alcoholic, non-ready to drink (for example squashes/cordials and hot beverages) brand and private label manufacturers, sellers and distributors
- Alcoholic beverage manufacturers, sellers and distributors – in the sense that some of their products may be considered to be substitutes to CCEP's own products for certain consumer occasions. More recently, CCEP entered the hard seltzer market and intends to make further entrances with alcoholic ready to drink in the near future with launches such as Jack Daniel's & Coke RTD.

A small number of such companies may also be contracted by CCEP as manufacturers (e.g. co-packers) or commercial partners (e.g. on behalf of which CCEP sells and/or distributes, or which sells and/or distributes on CCEP's behalf).

CCEP sells and distributes to a wide range of customers, including both physical and online food and beverage retailers, wholesalers and out of retail customers. The market is highly competitive and all CCEP customers and consumers may choose freely between products of CCEP and its competitors. Many of CCEP's customers are under increasing competitive pressure, including with the increasing market share of discounters, the growth of e-commerce food and beverage players, increase of private label, emergence of quick commerce and customer consolidation.

CCEP competes with respect to a wide range of commercial factors, including brand awareness, product and packaging innovations, supply chain efficacy, customer service, sales strategy, marketing, and pricing and promotions.

The level of competition faced by CCEP may be affected by, for example, changing customer and consumer product, brand, and packaging preferences; shifts in customers' industries; competitor strategy shifts; new competitor entrants; supplier dynamics; the weather; and social, economic, political or other external landscape shifts.

Key factors affecting CCEP's competitive strength include, for example, CCEP's strategic choices; investments; partnerships (e.g. with customers, franchisors and suppliers); people management; asset base (e.g. property, plant, fleet, and equipment); technological sophistication; and processes and systems.

Other Group information continued

Impact of governmental regulation

Our business is sensitive to the economic and political action and conditions in our countries of operation. The risks these can pose to our business are set out in our Principal risks on pages 64-71 and in our Risk factors on pages 223-229. By responding to these challenges positively, we can gain a competitive advantage.

Material contracts

Neither the Company (nor any member of the Group) has entered into any material contracts, for the two years immediately preceding publication of this report, that are to be performed in whole or in part at or after the filing of this report, other than contracts entered into in the ordinary course of business.

Articles of Association

For a summary of certain principal provisions of the Company's Articles of Association (the Articles), see Other Information – Other Group information – Articles of Association of the 2018 Annual Report on Form 20-F, filed on 14 March 2019. A copy of the Company's Articles has been filed as Exhibit 1 to this Form 20-F.

Documents on display

CCEP is subject to the information requirements of the US Securities Exchange Act of 1934, as amended (the Exchange Act), applicable to FPIs. In accordance with these requirements, we file our Annual Report on Form 20-F and other related documents with the US Securities and Exchange Commission (SEC). It is possible to read and copy documents that we have filed with the SEC at the SEC's office. Filings with the SEC are also available to the public from commercial document retrieval services, and from the website maintained by the SEC at www.sec.gov.

Our Annual Report on Form 20-F is also available on our website at ir.cocacolaep.com/financial-reports-and-results/integrated-reports. Shareholders may also order a hard copy, free of charge – see Useful addresses on page 257.

Exchange controls

Other than those individuals and entities subject to economic sanctions that may be in force from time to time, we are not aware of any other legislative or legal provision currently in force in the UK, the US, the Netherlands or Spain restricting remittances to non-resident holders of CCEP's Shares or affecting the import or export of capital for the Company's use.

Taxation information for shareholders

US federal income taxation

US federal income tax consequences to US holders of the ownership and disposition of CCEP Shares

This section summarises the material US federal income tax consequences of owning Shares as capital assets for tax purposes. It is not, however, a comprehensive analysis of all the potential US tax consequences for such holders, and it does not discuss the tax consequences of members of special classes of holders which may be subject to other rules, including, but not limited to: tax exempt entities, life insurance companies, dealers in securities, traders in securities that elect a mark-to-market method of accounting for securities holdings, holders liable for alternative minimum tax, holders that, directly or indirectly, hold 10% or more (by vote or by value) of the Company's stock, holders that hold Shares as part of a straddle or a hedging or conversion transaction, holders that purchase or sell Shares as part of a wash sale for US federal income tax purposes, or US holders whose functional currency is not the US dollar. In addition, if a partnership holds Shares, the US federal income tax treatment of a partner will generally depend on the status of the partner and the tax treatment of the partnership and may not be described fully below. This summary does not address any aspect of US taxation other than US federal taxation (such as the estate and gift tax, the Medicare tax on net investment income or US state or local tax).

Investors should consult their tax advisors regarding the US federal, state, local and other tax consequences of owning and disposing of Shares in their particular circumstances.

This section is based on the IRC, its legislative history, existing and proposed regulations, published rulings and court decisions, and on the United Kingdom-United States Tax Treaty (the Treaty), all of which are subject to change, possibly on a retroactive basis.

A US holder is a beneficial owner of Shares that is, for US federal income tax purposes, (i) a citizen or individual resident of the US, (ii) a US domestic corporation, (iii) an estate whose income is subject to US federal income taxation regardless of its source, or (iv) a trust if a US court can exercise primary supervision over the trust's administration and one or more US persons are authorised to control all substantial decisions of the trust. A non-US holder is a beneficial owner of Shares that is neither a US holder nor a partnership for US federal income tax purposes.

Other Group information continued

Taxation of dividends

Subject to the passive foreign investment company (PFIC) rules discussed below, a US holder is subject to US federal income taxation on the gross amount of any dividend paid by CCEP out of the Company's current or accumulated earnings and profits (as determined for US federal income tax purposes). Dividends paid to a non-corporate US holder will generally constitute "qualified dividend income" and be taxable to the holder at a preferential rate, provided that (i) CCEP is eligible for the benefits of the Treaty, (ii) CCEP is not a PFIC (as discussed below) for either its taxable year in which the dividend is paid or the preceding taxable year and (iii) certain minimum holding period and other requirements are met. CCEP currently believes that dividends paid with respect to its Shares should constitute qualified dividend income for US federal income tax purposes if CCEP was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a PFIC for US federal income tax purposes and provided that the certain minimum holding period is met. US holders should consult their own tax advisors regarding the availability of the preferential dividend tax rate on dividends paid by CCEP.

For US federal income tax purposes, a dividend must be included in income when the US holder actually or constructively receives the dividend. Dividends paid by CCEP to corporate US holders will generally not be eligible for the dividends received deduction. For foreign tax credit purposes, dividends will generally be income from sources outside the US and will generally, be "passive" or "general" income for purposes of computing the foreign tax credit allowable to a US holder.

The amount of a dividend distribution (including any UK withholding tax) on Shares that is paid in a currency other than the US dollar will generally be included in ordinary income in an amount equal to the US dollar value of the currency received on the date such dividend distribution is includible in income, regardless of whether the payment is, in fact, converted into US dollars on such date. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date the dividend payment is includible in income to the date the payment is converted into US dollars will be treated as ordinary income or loss and will not be eligible for the preferential tax rate on qualified dividend income. Generally, the gain or loss will be income or loss from sources within the US for foreign tax credit purposes.

Distributions in excess of CCEP's earnings and profits, as determined for US federal income tax purposes, will be treated as a return of capital to the extent of the US holder's basis in its Shares and thereafter as capital gain, subject to taxation as described below.

Taxation of capital gains

Subject to the PFIC rules discussed below, a US holder will generally recognise gain or loss on any sale, exchange, redemption or other taxable disposition of Shares in an amount equal to the difference between the US dollar value of the amount realised on the disposition and the US holder's tax basis, determined in US dollars, in the Shares. Any such capital gain or loss will generally be a long-term gain or loss, subject to tax at a preferential rate for a non-corporate US holder, if the US holder's holding period for such Shares exceeds one year. Any gain or loss recognised by a US holder on the sale or exchange of Shares will generally be treated as income or loss from sources within the US for foreign tax credit limitation purposes. The deductibility of capital losses is subject to limitations.

PFIC status

A non-US corporation is a PFIC in any taxable year in which, after taking into account the income and assets of certain subsidiaries, either (i) at least 75% of its gross income is passive income or (ii) at least 50% of the quarterly average of its assets is attributable to assets that produce or are held to produce passive income. Currently, we do not believe that CCEP Shares will be treated as stock of a PFIC for US federal income tax purposes. However, we review this annually, and therefore this conclusion is subject to change. If CCEP was to be treated as a PFIC, unless a US holder elects to treat CCEP as a "qualified electing fund" (QEF) or to be taxed annually on a mark-to-market basis with respect to its Shares, any gain realised on the sale or exchange of such Shares would in general be treated as ordinary income rather than capital gain. Instead, a US holder would be treated as if he or she had realised such gain rateably over the holding period for Shares and generally would be taxed at the highest tax rate in effect for each such year to which the gain was allocated. In this case, an interest charge in respect of the tax attributable to each such year would apply. Certain distributions would be similarly treated if CCEP were treated as a PFIC. In addition, each US person that is a shareholder of a PFIC may be required to file an annual report disclosing its ownership of shares in a PFIC and certain other information.

We do not intend to provide to US holders the information required to make a valid QEF election.

Information reporting and backup withholding

In general, information reporting requirements will apply to dividends received by US holders of Shares, and the proceeds received on the disposition of Shares effected within the US (and, in certain cases, outside the US), in each case, other than US holders that are exempt recipients (such as corporations).

Backup withholding may apply to such amounts if the US holder fails to provide an accurate taxpayer identification number (generally on an IRS Form W-9 provided to the paying agent or the US holder's broker) or is otherwise subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or credit against a holder's US federal income tax liability, if any, provided the required information is given to the IRS on a timely basis.

Certain US holders may be required to report to the IRS on Form 8938 information relating to their ownership of foreign financial assets, such as the Shares, subject to certain exceptions (including an exception for Shares held in accounts maintained by certain financial institutions). US holders should consult their tax advisors regarding the effect, if any, of these rules on their obligations to file information reports with respect to the Shares.

Other Group information continued

US federal income tax consequences to non-US holders of the ownership and disposition of CCEP Shares

In general, a non-US holder of Shares will not be subject to US federal income tax or, subject to the discussion below under Information reporting and backup withholding, US federal withholding tax on any dividends received on Shares or any gain recognised on a sale or other disposition of Shares including any distribution to the extent it exceeds the adjusted basis in the non-US holder's Shares unless:

- the dividend or gain is effectively connected with such non-US holder's conduct of a trade or business in the US (and, if required by an applicable tax treaty, is attributable to a permanent establishment maintained by the non-US holder in the US); or
- in the case of gain only, such non-US holder is a non-resident alien individual present in the US for 183 days or more during the taxable year of the sale or disposition, and certain other requirements are met.

Special rules may apply to a non-US holder who was previously a US holder and who again becomes a US holder in a later year.

A non-US holder that is a corporation may also be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable tax treaty) on its effectively connected earnings and profits for the taxable year, as adjusted for certain items.

Information reporting and backup withholding

Dividends with respect to Shares and proceeds from the sale or other disposition of Shares received in the US or through certain US-related financial intermediaries by a non-US holder, may be subject to information reporting and backup withholding unless such non-US holder provides to the applicable withholding agent the required certification showing its non-US status, such as a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI, or otherwise establishes an exemption, and otherwise complies with the applicable requirements of the backup withholding rules.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or credit against a holder's US federal income tax liability, if any, provided the required information is given to the IRS on a timely basis.

UK taxation consequences for US holders

The following summarises certain UK tax consequences of the ownership and disposition of Shares for US holders who are not resident in the UK for tax purposes and to whom split year treatment does not apply, who do not carry on a trade, profession or vocation through a permanent establishment or branch or agency in the UK, and who are the absolute beneficial owners of their Shares and hold such Shares as a capital investment.

This information is a general discussion based on UK tax law and what is understood to be the practice of HMRC, all as in effect on the date of publication, and all of which are subject to differing interpretations and change at any time, possibly with retroactive effect. It is not a complete analysis of all potential UK tax considerations that may apply to a US holder. In addition, this discussion neither addresses all aspects of UK tax law that may be relevant to particular US holders nor takes into account the individual facts and circumstances of any particular US holder. Accordingly, it is not intended to be, and should not be construed as, tax advice.

Distributions on Shares

No UK tax is required to be withheld from cash distributions on Shares paid to US holders. In addition, US holders will not be subject to UK tax in respect of their receipt of cash distributions on their Shares.

Sale, exchange, redemption or other dispositions of Shares

US holders will not be subject to UK tax on capital gains in respect of any gain realised by such US holders on a sale, exchange, redemption or other disposition of their Shares. Special rules may apply to individual US holders who have ceased to be resident in the UK for tax purposes and who make a disposition of their Shares before becoming once again resident in the UK for tax purposes.

While Shares are held within the DTC clearance system, and provided that DTC satisfies various conditions specified in UK legislation and has not made an election for the alternative system of change under Section 97A of the UK Finance Act 1986 which applies to the Shares (a Section 97A Election), electronic book entry transfers of such Shares should not be subject to UK stamp duty, and agreements to transfer such Shares should not be subject to Stamp Duty Reserve Tax (SDRT). Confirmation of this position was obtained by way of formal clearance by HMRC and we are not aware that any Section 97A Election has been made. Likewise, transfers of, or agreements to transfer, such Shares from the DTC clearance system into another clearance system (or into a depositary receipt system) should not, provided that the other clearance system or depositary receipt system satisfies various conditions specified in UK legislation and that DTC has not made a Section 97A Election, be subject to UK stamp duty or SDRT.

In the event that Shares have left the DTC clearance system, other than into another clearance system or depositary receipt system, any subsequent transfer of, or agreement to transfer, such Shares may, subject to any available exemption or relief, be subject to UK stamp duty or SDRT at a rate of 0.5% of the consideration for such transfer or agreement (in the case of UK stamp duty, rounded up to the next multiple of £5). Any such UK stamp duty or SDRT will generally be payable by the transferee and must be paid (and any relevant transfer document duly stamped by HMRC) before the transfer can be registered in the books of the Company. In the event that Shares that have left the DTC clearance system, other than into another clearance system or depositary receipt system, are subsequently transferred back into a clearance system or depositary receipt system, such transfer or agreement may, subject to any available exemption or relief, be subject to UK stamp duty or SDRT at a rate of 1.5% of the consideration for such transfer (or, where there is no such consideration, 1.5% of the value of such Shares). Notwithstanding the foregoing provisions of this paragraph, a transfer of securities may in certain circumstances be subject to UK stamp duty or SDRT based on the market value of the relevant securities if this is higher than the amount of the consideration for the relevant transfer.

THIS SUMMARY IS NOT EXHAUSTIVE OF ALL POSSIBLE TAX CONSEQUENCES. IT IS NOT INTENDED AS LEGAL OR TAX ADVICE TO ANY PARTICULAR HOLDER OF SHARES AND SHOULD NOT BE SO CONSTRUED. HOLDERS OF SHARES SHOULD CONSULT THEIR OWN TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES APPLICABLE TO THEM IN THEIR OWN PARTICULAR CIRCUMSTANCES.

Other Group information continued

Selected financial data

The following selected financial data has been extracted from, and should be read in conjunction with the consolidated financial statements of the Group and their accompanying notes.

On 10 May 2021, Coca-Cola European Partners plc (Legacy CCEP) acquired Coca-Cola Amatil Limited (referred to as CCL pre-acquisition, and API post-Acquisition), and subsequently changed its name to Coca-Cola Europacific Partners plc (the Company, or Parent Company). The financial results presented herein for the period from 1 January 2018 through to the Acquisition date refer to Legacy CCEP and its consolidated subsidiaries, and the period from the Acquisition date to 31 December 2022 refer to the combined financial results of CCEP.

The financial information presented here has been prepared in accordance with UK adopted International Accounting Standards, International Financial Reporting Standards (IFRS) as adopted by the European Union and International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Income statement	2022 € million	2021 € million	2020 € million	2019 € million	2018 € million
Revenue	17,320	13,763	10,606	12,017	11,518
Cost of sales	(11,096)	(8,677)	(6,871)	(7,424)	(7,060)
Gross profit	**6,224**	**5,086**	**3,735**	**4,593**	**4,458**
Selling and distribution expenses	(2,964)	(2,496)	(1,939)	(2,258)	(2,178)
Administrative expenses	(1,230)	(1,074)	(983)	(787)	(980)
Other Income	96	—	—	—	—
Operating profit	**2,086**	**1,516**	**813**	**1,548**	**1,300**
Finance income	67	43	33	49	47
Finance costs	(181)	(172)	(144)	(145)	(140)
Total finance costs, net	(114)	(129)	(111)	(96)	(93)
Non-operating items	(15)	(5)	(7)	2	(2)
Profit before taxes	**1,957**	**1,382**	**695**	**1,454**	**1,205**
Taxes	(436)	(394)	(197)	(364)	(296)
Profit after taxes	**1,521**	**988**	**498**	**1,090**	**909**

Statement of financial position	2022 € million	2021 € million	2020 € million	2019 € million	2018 € million
Non-current assets	22,770	23,330	15,161	15,582	15,225
Current assets	6,543	5,760	4,076	3,103	2,991
Total assets	**29,313**	**29,090**	**19,237**	**18,685**	**18,216**
Non-current liabilities	14,553	15,787	9,072	8,414	7,860
Current liabilities	7,313	6,093	4,140	4,115	3,792
Total liabilities	**21,866**	**21,880**	**13,212**	**12,529**	**11,652**
Total equity	**7,447**	**7,210**	**6,025**	**6,156**	**6,564**
Total equity and liabilities	**29,313**	**29,090**	**19,237**	**18,685**	**18,216**

Capital stock data					
Number of shares (in millions)	457	456	455	456	475
Share capital (in € million)	5	5	5	5	5
Share premium (in € million)	224	220	192	178	152

Per share data					
Basic earnings per share (€)	3.33	2.15	1.09	2.34	1.88
Diluted earnings per share (€)	3.29	2.15	1.09	2.32	1.86
Dividends declared per share (€)	1.68	1.40	0.85	1.24	1.06

Other Group information continued

Operations review

Revenue

Revenue increased by €3.5 billion, or 26.0%, from €13.8 billion in 2021 to €17.3 billion in 2022. Refer to the Business and financial review for a discussion of significant factors that impacted revenue in 2022, as compared to 2021.

2021 vs 2020

Refer to Other Information – Other Group information – Operations review of the 2021 Annual Report on Form 20-F, filed on 15 March 2022.

Volume

Refer to the Business and financial review for a discussion of significant factors that impacted volume in 2022, as compared to 2021.

2021 vs 2020

Refer to Other Information – Other Group information – Operations review of the 2021 Annual Report on Form 20-F, filed on 15 March 2022.

Cost of sales

On a reported basis, cost of sales increased 28.0%, from €8.7 billion in 2021 to €11.1 billion in 2022. Refer to the Business and financial review for a discussion of significant factors that impacted cost of sales in 2022, as compared to 2021.

2021 vs 2020

Refer to Other Information – Other Group information – Operations review of the 2021 Annual Report on Form 20-F, filed on 15 March 2022.

Selling and distribution expenses and administrative expenses

The following table presents selling and distribution expenses and administrative expenses for the periods presented:

	2022 € million	2021 € million
Selling and distribution expenses	2,984	2,496
Administrative expenses	1,250	1,074
Total	**4,234**	**3,570**

On a reported basis, total operating expenses increased by 18.5% from €3.6 billion in 2021 to €4.2 billion in 2022, reflecting the full year impact of the API operations acquired in 2021.

Selling and distribution expenses increased by €488 million, or 19.5%, versus 2021, primarily driven by the full year impact of the Acquisition and an increase in variable expenses such as logistic costs due to higher volumes, partially offset by a continued focus on discretionary spend optimisation in areas such as trade marketing expenses, travel and meetings.

Administrative expenses increased by €176 million, or 16.5%, versus 2021, mainly reflecting increased inflation and the continuation of restructuring activity related to the Accelerate Competitiveness programme.

2021 vs 2020

Refer to Other Information – Other Group information – Operations review of the 2021 Annual Report on Form 20-F, filed on 15 March 2022.

Finance costs, net

Finance costs, net totalled €114 million and €129 million in 2022 and 2021, respectively. The following table summarises the primary items impacting our interest expense during the periods presented:

	2022	2021
Average outstanding debt balance (€ million)	12,481	11,428
Weighted average cost of debt during the year	1.3%	1.2%
Fixed rate debt (% of portfolio)	90%	95%
Floating rate debt (% of portfolio)	10%	5%

Non-operating items

Non-operating items represented an expense of €15 million in 2022 and an expense of €5 million in 2021. Non-operating expenses include remeasurement gains and losses related to currency exchange rate fluctuations on financing transactions denominated in a currency other than the subsidiary's functional currency. Non-operating items are shown on a net basis and reflect the impact of any derivative instruments utilised to hedge the foreign currency movements of the underlying financing transactions. Non-operating items also include the Group's share of the profit or loss after tax of equity accounted investments and impairments.

Tax expense

In 2022, our reported effective tax rate was 22.3%. The decrease from 2021 is largely due to the remeasurement of deferred tax positions following the enactment of tax rate changes in the United Kingdom, the Netherlands and Indonesia in the prior period.

In 2021, our reported effective tax rate was 28.5%. This includes a €127 million deferred tax expense due to the enactment of corporate income tax increases in the UK and the Netherlands as well as an enacted law change in Indonesia which held its statutory income tax rate, reversing a previously enacted rate reduction.

Other Group information continued

Cash flow and liquidity review

Liquidity and capital resources

Our sources of capital include, but are not limited to, cash flows from operating activities, public and private issuances of debt and equity securities and bank borrowings. Based on information currently available, we do not believe we are at significant risk of default by our counterparties.

The Group satisfies seasonal working capital needs and other financing requirements with operating cash flow, cash on hand, short-term borrowings and a line of credit. No new borrowings were issued during the year. At 31 December 2022, the Group had €1,195 million in third party debt maturities in the next 12 months, €350 million in the form of euro denominated notes, €797 million of US dollar denominated notes swapped into euro and €48 million of US dollar denominated notes swapped into New Zealand dollar. No short-term commercial papers were issued at 31 December 2022. In addition to using operating cash flow and cash in hand, the Group may repay its short-term obligations by issuing more debt, which may take the form of commercial paper and/or longer-term debt. Further details regarding the level of borrowings at the year end are provided in Note 14 of the consolidated financial statements.

In line with our commitments to deliver long-term value to shareholders, in April and November 2022 the Board declared interim dividends of €0.56 and €1.12 per Share, respectively, maintaining annualised dividend payout ratio of approximately 50%. For the year ended 31 December 2022, dividend payments totalled €763 million.

On 23 March 2020, in response to COVID-19, the Board took the decision to suspend the share buyback programme. No shares were repurchased in 2022.

Credit ratings and covenants

The Group's credit ratings are periodically reviewed by rating agencies. The ratings outlook from Moody's and Fitch is stable and continue to be investment-grade as at end of 2022. Changes in the operating results, cash flows or financial position could impact the ratings assigned by the various rating agencies. The credit rating can be materially influenced by a number of factors including, but not limited to, acquisitions, investment decisions, and capital management activities of TCCC, and/or changes in the credit rating of TCCC. Should the credit ratings be adjusted downward, the Group may incur higher costs to borrow, which could have a material impact on the financial condition and results of operations.

Summary of cash flow activities

2022

During 2022, our primary sources of cash included: (1) €2,932 million from operating activities, net of cash payments related to restructuring programmes of €86 million and contributions to our defined benefit pension plans of €32 million; and (2) proceeds of €143 million related to the sale of certain non-alcoholic ready to drink brands to TCCC.

Our primary uses of cash were: (1) repayments on borrowings of €1,223 million, repayments of principal on lease obligations of €153 million (refer to Financing activities below) and net interest payments of €130 million; (3) dividend payments of €763 million; (4) spend on property, plant and equipment of €500 million and software of €103 million; (5) investments in short-term financial assets of €207 million .

2021

During 2021, our primary sources of cash included: (1) €2,117 million from operating activities, net of cash payments related to restructuring programmes of €205 million and contributions to our defined benefit pension plans of €39 million; and (2) proceeds of €5.2 billion from the issuance of debt for acquisition purposes.

Our primary uses of cash were: (1) acquisition of CCL, net of cash acquired, of €5.4 billion; (2) repayments on borrowings of €950 million, repayments of principal on lease obligations of €139 million (refer to Financing activities below) and net interest payments of €97 million; (3) dividend payments of €638 million; and (4) spend on property, plant and equipment of €349 million and software of €97 million.

The discussion of our 2020 cash flow activities has not been included as this can be found under Other Information – Other Group information – Cash flow and liquidity review of the 2020 Annual Report on Form 20-F, filed on 12 March 2021.

Operating activities

2022 vs 2021

Our cash derived from operating activities totalled €2,932 million in 2022 versus €2,117 million in 2021. This increase was primarily due to the full year impact of inclusion of the API operations acquired in 2021 and the impact of increased revenue performance.

2021 vs 2020

Refer to Other Information – Other Group information – Cash flow and liquidity review of the 2021 Annual Report on Form 20-F, filed on 15 March 2022.

Investing activities

2022 vs 2021

During 2022, net proceeds related to the sale of certain non-alcoholic ready to drink brands to TCCC totalled €143 million. Net outflows related to short-term investments were €207 million.

Capital asset investments represent a primary use of cash for our investing activities. The following table summarises the capital investments for the periods presented:

	2022 € million	2021 € million
Supply chain infrastructure	393	267
Cold drink equipment	83	76
Fleet and other	24	6
Total capital asset investments	**500**	**349**

Other Group information continued

Investments in supply chain infrastructure relate to investments in our manufacturing and distribution facilities. In addition, during 2022 the Group spent €103 million (2021: €97 million) on capitalised development activity, primarily in relation to the continuation of our business capability programme.

During 2023, we expect our capital expenditures to be invested in similar categories as those listed in the table above. While the level of capital expenditure is uncertain, we expect our operating cash flow, cash in hand and available short-term capital resources will be sufficient to fund future capital expenditures.

2022 vs 2021

Refer to Other Information – Other Group information – Cash flow and liquidity review of the 2021 Annual Report on Form 20-F, filed on 15 March 2022.

Financing activities

2022 vs 2021

Our net cash used in financing activities totalled €2,276 million in 2022. In 2021, net cash from financing activities totalled €3,289 million.

The following table summarises our financing activities related to the issuances of and payments on debt for the periods presented (in € millions):

Issuances of debt	Maturity date	Rate	2022	2021
€800 million notes	September 2025	0.00%	—	797
€700 million notes	September 2029	0.50%		693
€1,000 million notes	May 2033	0.88%	—	990
€750 million notes	May 2041	1.50%		745
US$850 million notes	May 2023	0.50%	—	702
US$650 million notes	May 2024	0.80%		537
US$500 million notes	January 2027	1.50%	—	413
Total issuances of debt, less short-term borrowings, net of issuance costs			**—**	**4,877**
Net issuances of short-term borrowings	—	(A)	—	276
Total issuances of debt, net			**—**	**5,153**

Payments on debt	Maturity date	Rate	2022	2021
€700 million	February 2022	0.75%	(700)	—
A$200 million	March 2022	3.38%	(134)	—
A$30 million	July 2022	5.06%	(20)	—
A$125 million	July 2022	3.13%	(84)	—
€350 million	November 2021	floating	—	(350)
US$300 million	September 2021	4.50%		(174)
US$250 million	August 2021	3.25%	—	(223)
A$100 million	May 2021	4.63%		(65)
A$45 million	July 2021	6.65%	—	(30)
JPY3 billion	August 2021	2.54%		(24)
A$100 million	August 2021	4.25%	—	(65)
A$30 million	September 2021	5.95%	—	(19)
Lease obligations	—	—	(53)	(139)
Total repayments on third party borrowings, less short-term borrowings			**(1,091)**	**(1,089)**
Net payments of short-term borrowings	—	(A)	(285)	—
Total payments on debt			**(1,376)**	**(1,089)**

(A) These amounts represent short-term euro commercial paper with varying interest rates. In 2022, changes in short-term borrowings include €2,464 million of newly issued and €2,749 million of repaid EUR commercial paper. In 2021, changes in short-term borrowings included €700 million and €424 million of newly issued and repaid EUR commercial paper, respectively

Our financing activities during 2022 included dividend payments totalling €763 million, based on a full year dividend rate of €1.68 per Share. In 2021, dividend payments totalled €638 million.

There were no payments under the share buyback programme in 2022 and 2021.

There were no drawdowns from our credit facility in 2022 and 2021. The facility was undrawn at 31 December 2022 and 31 December 2021, respectively.

Lease obligations

During the year ended 31 December 2022 and 31 December 2021, total cash outflows from payments of principal on lease obligations were €153 million and €139 million, respectively.

2022 vs 2021

Refer to Other Information – Other Group information – Cash flow and liquidity review of the 2021 Annual Report on Form 20-F, filed on 15 March 2022.

Other Group information continued

Raw materials

CCEP purchases concentrates and syrups from TCCC and other franchisors to manufacture products. In addition, the Group purchases sweeteners, juices, coffee, mineral waters, finished product, carbon dioxide, fuel, pallets, ocean freight, haulage, virgin and recycled PET (plastic) preforms, glass, aluminium and plastic bottles, aluminium and steel cans, pouches, closures, post-mix and packaging materials. The Group generally purchases raw materials, other than concentrates, syrups and mineral waters, from multiple suppliers. The product licensing and bottling agreements with TCCC and agreements with some of our other franchisors provide that all authorised containers, closures, cases, cartons and other packages, and labels for their products must be purchased from manufacturers approved by the respective franchisor. The principal sweetener we use is sugar derived from sugar beets in Europe and sugar cane in API. Our sugar purchases are made from multiple suppliers. The Group does not separately purchase low-calorie sweeteners because sweeteners for low-calorie beverage products are contained in the concentrates or syrups we purchase.

The Group produces most of its plastic bottle requirements within the production facilities, half from using preforms purchased from multiple suppliers and the remainder from self-manufactured preforms. The Group believes the self-manufacture of certain packages serves to ensure supply and to reduce or manage costs. The Group manages its continuity of materials and supplies closely, although the supply and price of specific materials or supplies are, at times, adversely affected by strikes, weather conditions, speculation, abnormally high demand, governmental controls, new taxes, national emergencies, natural disasters, price or supply fluctuations of their raw material components, and currency fluctuations.

Contractual obligations

The following table reflects the Group's contractual obligations as at 31 December 2022:

	Total	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years
	€ million	€ million	€ million	€ million	€ million
Borrowings and interest obligations[A]	12,314	1,336	2,597	2,179	6,202
Lease obligations[B]	753	171	215	123	244
Purchase agreements[C]	114	49	40	8	17
	13,181	**1,556**	**2,852**	**2,310**	**6,463**

(A) These amounts represent the Group's scheduled debt maturities and estimated interest payments related to the Group's long-term debt obligations, excluding leases. Refer to Note 14 of the consolidated financial statements for further details about the borrowings of CCEP. Interest on fixed rate debt has been calculated based on applicable rates and payment dates. Interest on variable rate debt has been calculated using the forward interest rate curve. Refer to Note 26 of the consolidated financial statements for further details about financial risk management within CCEP.

(B) These amounts represent the Group's future lease payments including amounts representing interest, obligations related to lease agreements committed to but not yet commenced and lease payments due under non-cancellable short-term or low value lease agreements.

(C) These amounts represent non-cancellable purchase agreements with various suppliers that are enforceable and legally binding and that specify a fixed or minimum quantity that we must purchase. All purchases made under these agreements have standard quality and performance criteria. In addition to these amounts, the Group has outstanding capital expenditure purchase orders of approximately €109 million as at 31 December 2022. The Group also has other purchase orders raised in the ordinary course of business which are settled in a reasonably short period of time. These are excluded from the table above. The Group expects that the net cash flows generated from operating activities will be able to meet these liabilities as they fall due.

The above table does not include the impact of contractual obligations related to derivative financial instruments. A table containing this information is presented in Note 26 of the consolidated financial statements. Furthermore, the exact timing of our tax provisions is not certain and these have been excluded from the above table. Refer to Note 21 of the consolidated financial statements for further information.

The above table also does not reflect employee benefit liabilities of €116 million, which include current liabilities of €8 million and non-current liabilities of €108 million as at 31 December 2022. Refer to Note 16 of the consolidated financial statements for further information.

Other Group information continued

Properties

The Group's principal properties include production facilities, distribution and logistics centres, shared service centres, business unit headquarter offices and corporate offices.

The table below summarises the main properties which the Group uses as at 31 December 2022:

	Great Britain	France	Belgium/ Luxembourg	Netherlands	Norway	Sweden	Germany	Iberia	Iceland	Total
Production facilities[A]										
Leased	1						2	1		4
Owned	4	5	3	1	1	1	14	10	2	41
Total	**5**	**5**	**3**	**1**	**1**	**1**	**16**	**11**	**2**	**45**
Distribution and logistics facilities										
Leased	1	—	2	—	1	—	13	3	—	20
Owned							7	4		11
Total	**1**	**—**	**2**	**—**	**1**	**—**	**20**	**7**	**—**	**31**
Corporate offices and business unit headquarters										
Leased	2	1	1	1	—	—	1	3	—	9
Owned	—	—	—	—	—	—	—	—	—	—
Total	**2**	**1**	**1**	**1**	**—**	**—**	**1**	**3**	**—**	**9**

	Australia	New Zealand and Pacific Islands	Indonesia and Papua New Guinea	Total
Production facilities[A][B]				
Leased	10	5		15
Owned	3	7	11	21
Total	**13**	**12**	**11**	**36**
Distribution and logistics facilities				
Leased	9	4	9	22
Owned	2		3	5
Total	**11**	**4**	**12**	**27**
Corporate offices and business unit headquarters				
Leased	1	1	1	3
Owned				—
Total	**1**	**1**	**1**	**3**

(A) All production facilities are a combination of production and warehouse facilities.
(B) Production facilities include NARTD, alcoholic beverage and other production facilities.

The Group uses two shared service centres, both located in Bulgaria.

The Group's principal properties cover approximately 5.8 million square metres in the aggregate of which 0.9 million square metres is leased and 4.9 million square metres is owned. The Group believes that its facilities are adequately utilised and sufficient to meet its present operating needs.

At 31 December 2022, the Group operated approximately 14 thousand vehicles of various types, the majority of which are leased. The Group also owned approximately 1.5 million pieces of cold drink equipment, principally coolers and vending machines.

Other Group information continued

Disclosure controls and procedures

Evaluation of disclosure controls and procedures

The Group maintains "disclosure controls and procedures", as defined in Rule 13a-15(e) under the Exchange Act, which are designed to ensure that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarised and reported within the time periods specified in the US SEC's rules and forms, and that such information is accumulated and communicated to the Group's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), as appropriate to allow timely decisions regarding required disclosure. The Group's management, with the participation of the CEO and CFO, has evaluated the effectiveness of the Group's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(b) as at 31 December 2022. Based on that evaluation, the Group's CEO and CFO have concluded that the Group's disclosure controls and procedures were effective.

Management's report on internal control over financial reporting

The Group's management is responsible for establishing and maintaining adequate internal control over financial reporting for the Group, as defined in Rule 13a-15(f) under the Exchange Act. Internal control over financial reporting is a process designed under the supervision of the principal executive and financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Group's consolidated financial statements for external reporting purposes in accordance with IFRS issued by the IASB. The Group's internal control over financial reporting includes policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the Group's transactions and dispositions of assets; (2) are designed to provide reasonable assurance that transactions are recorded as necessary to permit the preparation of the Group's consolidated financial statements in accordance with IFRS, and that receipts and expenditures are being made only in accordance with authorisations of management and the Directors of the Group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the Group's assets that could have a material effect on the Group's consolidated financial statements. Internal control systems, no matter how well designed, have inherent limitations and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that internal controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management, with the participation of the CEO and CFO, assessed the effectiveness of the Group's internal control over financial reporting as at 31 December 2022, using the criteria set forth in the Internal Control-Integrated Framework issued by The Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management has determined that the Group's internal control over financial reporting as at 31 December 2022 was effective. Ernst & Young LLP (EY), the Group's independent registered public accounting firm, has issued a report on the Group's internal control over financial reporting as at 31 December 2022, which is set out on page 159.

Changes in internal control over financial reporting

There has been no change in the Group's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during 2022 that has materially affected, or is reasonably likely to materially affect, the Group's internal control over financial reporting.

Auditor's fees and services

The Audit Committee has established policies and procedures for the engagement of the independent registered public accounting firm, Ernst & Young LLP (Auditor Firm ID: 1438), to render audit and certain assurance and tax services. The policies provide for pre-approval by the Audit Committee of specifically defined audit, audit-related, tax and other services that are not prohibited by regulatory or other professional requirements. EY is engaged for these services when its expertise and experience of CCEP are important. Most of this work is of an audit nature.

Under the policy, pre-approval is given for specific services within the following categories: advice on accounting, auditing and financial reporting matters; internal accounting and risk management control reviews (excluding any services relating to information systems design and implementation); non-statutory audit; project assurance and advice on business and accounting process improvement (excluding any services relating to information systems design and implementation relating to CCEP's financial statements or accounting records); due diligence in connection with acquisitions, disposals and arrangements in which two or more parties have joint control (excluding valuation or involvement in prospective financial information); income tax and indirect tax compliance and advisory services; employee tax services (excluding tax services that could impair independence); provision of, or access to, EY publications, workshops, seminars and other training materials; provision of reports from data gathered on non-financial policies and information; and assistance with understanding non-financial regulatory requirements.

The Audit Committee evaluates the performance of the auditor each year. The Committee keeps under review the scope and results of audit work and the independence and objectivity of the auditor. External regulation and CCEP policy requires the auditor to rotate its lead audit partner every five years. The audit fees payable to EY are reviewed by the Committee for cost effectiveness each year. Details of fees for services provided by the auditor are provided in Note 18 of the consolidated financial statements.

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Exhibits

The following documents, which form a part of this Annual Report on Form 20-F, have been filed with the US Securities and Exchange Commission (SEC) via its EDGAR system and can be viewed on the SEC's website at www.sec.gov.

Exhibit 1	Articles of Association of CCEP (incorporated by reference to Exhibit 99.1 to CCEP's Form 6-K filed with the SEC on May 30, 2019).
Exhibit 2	Description of rights attached to each class of CCEP securities registered under Section 12 of the Exchange Act as at 31 December 2022.
Exhibit 3	Shareholders' Agreement by and among the Company, Olive Partners, S.A., European Refreshments, Coca-Cola GmbH and Vivaqa Beteiligungs GmbH & Co. KG (incorporated by reference to Annex C to the proxy statement/prospectus contained in CCEP's Form F-4/A registration statement filed with the SEC on April 11, 2016).
Exhibit 4.1	Form of Bottler's Agreement entered into between The Coca-Cola Company and the bottling subsidiaries of CCEP (incorporated by reference to Exhibit 10.7 to the Company's Form F-4/A registration statement filed with the SEC on April 7, 2016).
Exhibit 4.2	Coca-Cola European Partners plc Long-Term Incentive Plan 2016 (incorporated by reference to Exhibit 4.1 to CCEP's Form S-8 registration statement filed with the SEC on June 1, 2016).
Exhibit 4.3	Rules of the Coca-Cola Enterprises Belgium/Coca-Cola Enterprises Services Belgian and Luxembourg Share Savings Plan (incorporated by reference to Exhibit 4.3 to CCEP's Form S-8 registration statement filed with the SEC on June 1, 2016).
Exhibit 4.4	Trust Deed and Rules of Coca-Cola Enterprises UK Share Plan (incorporated by reference to Exhibit 4.2 to the Company's Form S-8 registration statement filed with the SEC on June 1, 2016).
Exhibit 4.5	The Coca-Cola Enterprises, Inc. 2010 Incentive Award Plan (as amended Effective February 7, 2012) (incorporated by reference to Exhibit 99.1 to Coca-Cola Enterprises, Inc.'s Current Report on Form 8-K filed on February 9, 2012).
Exhibit 4.6	Deed of Assumption and Replacement relating to Equity Awards of Coca-Cola Enterprises, Inc. (incorporated by reference to Exhibit 4.3 to the Company's Post-Effective Amendment No. 1 on Form S-8 to Form F-4 registration statement filed with the SEC on June 1, 2016).
Exhibit 8	List of Subsidiaries of the Company (included in Note 28 of the consolidated financial statements in this Annual Report on Form 20-F).
Exhibit 12.1	Rule 13a-14(a) Certification of Damian Gammell.
Exhibit 12.2	Rule 13a-14(a) Certification of Nik Jhangiani.
Exhibit 13	Rule 13a-14(b) Certifications.
Exhibit 15.1	Consent of Ernst & Young LLP, UK.
Exhibit 101.INS	XBRL Instance Document.
Exhibit 101.SCH	XBRL Taxonomy Extension Schema Document.
Exhibit 101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
Exhibit 101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
Exhibit 101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
Exhibit 101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

The total amount of long-term debt securities issued by the Company or any subsidiary under any one instrument which requires filing consolidated or unconsolidated financial statements does not exceed 10% of the total assets of the Company and its subsidiaries on a consolidated basis. The Company agrees to furnish a copy of any long-term debt security instrument which requires filing consolidated or unconsolidated financial statements to the SEC on request.

Signatures

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorised the undersigned to sign the Annual Report on Form 20-F on its behalf.

Coca-Cola Europacific Partners plc

/s/ Damian Gammell
Damian Gammell
Chief Executive Officer
17 March 2023

Sustainability key performance data summary

Metric	THIS IS FORWARD	Group 2022α	Group 2019 Baselineα	Europe 2022α	Europe 2021Δ	Europe 2019 Baselineα	API 2022α	API 2019 Baselineα
Climate								
Scope 1 GHG emissions (tonnes of CO_2e)		295,904	343,784	196,890	205,026	229,748	99,014	114,036
Scope 2 GHG emissions – market based approach (tonnes of CO_2e)		186,494	218,082	3,690	4,135	5,728	182,804	212,354
Scope 2 GHG emissions - location based approach (tonnes of CO_2e)		303,597	380,173	110,012	120,433	167,709	193,585	212,464
Scope 3 GHG emissions (tonnes of CO_2e)		4,931,065	5,410,655	3,112,516	3,020,841	3,503,674	1,818,549	1,906,981
Scope 1, 2 and 3 GHG emissions – Full value chain[A] (tonnes of CO_2e)		5,413,463	5,972,521	3,313,096	3,230,002	3,739,150	2,100,367	2,233,371
Scope 1, 2 and 3 GHG emissions – Full value chain[A] per litre (g CO_2e per litre)		289.4	330.7	221.9	239.2	262.0	555.6	590.0
Absolute reduction in total value chain[A] GHG emissions (Scope 1, 2 and 3) since 2019 (%)	-30% by 2030	9.4		11.4	13.6		6.0	
Relative reduction in total value chain[A] GHG emissions (Scope 1, 2 and 3) per litre since 2019 (%)		12.5		15.3	8.7		5.8	
GHG Scope 1 and 2[A] emissions per litre of product produced (g CO_2e per litre)		29.1		15.1	17.1		84.8	
Manufacturing energy use ratio (MJ per litre of finished product produced)		0.35		0.30	0.32		0.56	
Percentage of electricity purchased that comes from renewable sources (%)		75.0		100.0	100.0		20.5	
Percentage of electricity consumed that comes from renewable sources (%)	100% by 2030	74.4		99.5	99.4		23.8	
Tonnes of CO_2e offset through carbon credits (tonnes of CO_2e)		9,375						
Percentage of carbon strategic suppliers having targets approved by SBTi (%)	100% by 2025[B]	17		27			5	

Note: For a full list of CCEP's headline sustainability commitments as part of our This is Forward sustainability action plan, please refer to 'Our headline commitments' on page 27. For details on our approach to reporting and methodology please see our '2022 Sustainability reporting methodology' document on cocacolaep.com/sustainability/download-centre.

(A) Market based approach only.

(B) 100% of carbon strategic suppliers to set science-based targets by 2023 (Europe) and 2025 (API). Carbon strategic suppliers account for ~80% of our Scope 3 GHG emissions (approximately 200 suppliers in total).

α This metric was subject to external independent limited assurance by DNV for the year ended 31 December 2022.

Δ All Europe 2021 data was subject to external independent limited assurance by DNV for the year ended 31 December 2021, and was included within our 2021 Integrated Report and Form 20-F. In line with the WRI/WBCSD GHG Protocol, our baseline figures for 2019, and our 2021 data for Europe have been restated to include updated emissions factors and more accurate data. These restated emissions were outside the scope of the latest independent limited assurance review by DNV.

Sustainability key performance data summary continued

Metric	THIS IS FORWARD	Group 2022[α]	Europe 2022[α]	Europe 2021[Δ]	API 2022[α]
Packaging					
Percentage of all primary packaging that is recyclable (%, based on unit case)	100% by 2025		98.7	98.3	
Percentage of PET used which is rPET (%, based on tonnes of material)	50% by 2025[(A)]	48.5	56.3	52.9	26.9
Primary packaging collected for recycling as a percentage of total primary packaging (%, based on individual units)	100% by 2030	71.8	76.7		53.0
Percentage of PET bottles that are 100% rPET (%, based on individual bottles)		44.7	54.0		25.8
Water					
Percentage of production facilities with context based water targets[(B)] (%)	100%	100.0	100.0		100.0
Total water withdrawal (1,000 m^3)		26,584	20,839		5,745
Total production volumes from areas of baseline water stress[(C)] (1,000 m^3)		8,126	7,394		731
Water replenished as percentage of total sales volumes (%)	100% by 2030	105.5	101.6		120.8
Total volume of water replenished (1,000 m^3)		19,732	15,165		4,567
Manufacturing water use ratio (litres of water per litre of finished product produced)		1.60	1.57	1.58	1.73

Note: For a full list of CCEP's headline sustainability commitments as part of our This is Forward sustainability action plan, please refer to 'Our headline commitments' on page 27. For details on our approach to reporting and methodology please see our '2022 Sustainability reporting methodology' document on cocacolaep.com/sustainability/download-centre.

(A) 50% recycled plastic (rPET) in our PET bottles by 2023 (Europe) and 2025 (API).

(B) Non-alcoholic ready to drink (NARTD) only.

(C) 21 out of 42 non-alcoholic ready to drink (NARTD) production facilities in Europe and three out of 24 NARTD production facilities in API are located in areas of water stress (based on WRI water stress mapping).

α This metric was subject to external independent limited assurance by DNV for the year ended 31 December 2022.

Δ This metric was subject to external independent limited assurance by DNV for the year ended 31 December 2021 and was included in our 2021 Integrated Report and Form 20-F.

Sustainability key performance data summary continued

Metric	THIS IS FORWARD	Group 2022[α]	Europe 2022[α]	Europe 2021[Δ]	API 2022[α]	API 2021[Δ]
Supply chain						
Percentage of sugar sourced through suppliers in compliance with our Principles for Sustainable Agriculture (PSA) (%)	100%	97.6	100.0		90.3	
Percentage of pulp and paper sourced through suppliers in compliance with our PSA (%)	100%	99.2	99.8		98.3	
Percentage of total supplier spend covered by Supplier Guiding Principles (%)	100%	97.5	97.3	97.0	98.4	
Drinks						
Europe: Reduction in average sugar per litre in soft drinks[(A)] portfolio since 2019 (%)	10% by 2025		5.2	5.6		
New Zealand: Reduction in average sugar per litre in NARTD[(B)] portfolio since 2015 (%)	20% by 2025				15.9	13.4
Australia: Reduction in average sugar per litre in NARTD[(B)] portfolio since 2015 (%)	25% by 2025				16.8	14.9
Indonesia: Reduction in average sugar per litre in NARTD[(B)] portfolio since 2015 (%)	35% by 2025				31.6	20.9
Percentage of volume sold which is low or no calorie (%)	50% by 2030[(C)(D)]		48.8	48.6		
Society						
Percentage of women in management positions (senior manager level and above)[(E)] (%)	45% by 2030	37.2				
Percentage of women in total workforce (%)	33% by 2030	23.8				
Safety – Total incident rate (TIR) (number per 100 full time equivalent employees)		0.87	1.04		0.62	
Safety – Lost time incident rate (LTIR) (number per 100 full time equivalent employees)		0.61	0.75		0.40	
Total number of volunteering hours (number of hours)		28,562	28,397		165[(F)]	
Total community investment contribution (millions of €)		12.2	10.7	9.2	1.5	1.8

Note: For a full list of CCEP's headline sustainability commitments as part of our This is Forward sustainability action plan, please refer to 'Our headline commitments' on page 27. For details on our approach to reporting and methodology please see our '2022 Sustainability reporting methodology' document on cocacolaep.com/sustainability/download-centre.

(A) Sparkling soft drinks, non-carbonated soft drinks and flavoured water only. Does not include water or juice.
(B) Non-alcoholic ready to drink (NARTD), including dairy. Does not include coffee, alcohol, beer or freestyle.
(C) Europe 50% by 2025. Does not include coffee, alcohol, beer or Freestyle. Low calorie beverages ≤20kcal/100ml. Zero calorie beverages ≤4kcal/100ml.
(D) Full API data not available for 2022 reporting. We aim to report on this indicator in 2023. Percentage of volume sold which is low or no calorie for 2022 was Australia 44.6%; New Zealand 39.5%; Indonesia 46.8%.
(E) Excludes Papua New Guinea, Fiji and Samoa as aligned role grades not available for 2022 reporting. We aim to include these markets for 2023.
(F) Australia only. Volunteering policy not rolled out to all API markets. We aim to launch this across all API markets by end of 2023.

α This metric was subject to external independent limited assurance by DNV for the year ended 31 December 2022.
Δ This metric was subject to external independent limited assurance by DNV for the year ended 31 December 2021. Note the baseline year for Europe reduction in average sugar per litre in soft drinks portfolio has changed to 2019 since we issued our 2021 Integrated Report and Form 20-F.

Sustainability key performance data summary continued

Our approach to reporting and methodology

GHG emissions (Scope 1, 2 and 3)

Details of our Scope 1, 2 and 3 GHG emissions in tonnes of CO_2 equivalent (CO_2e) during 2022 are set out in the table on page 37. Our Scope 1 and 2 emissions are independent of any GHG trades. Our Scope 2 emissions are reported using both a location based and a market based approach.

Our carbon footprint is calculated in accordance with the WRI/WBCSD GHG Protocol Corporate Standard, GHG Protocol Scope 2 Guidance and GHG Protocol Full Value Chain (Scope 3) Standard using an operational control approach to determine organisational boundaries.

Our GHG emissions are reported on a gross basis, independent of any offsets or carbon credits.

Note on sources of data and calculation methodologies

Under the WRI/WBCSD GHG Protocol, we measure our emissions in three scopes, except for CO_2e emissions from biologically sequestered carbon, which we report separately outside these scopes. Our baseline year is 2019. We have restated our baseline 2019 and 2021 data to include new emission factors and more accurate data.

Data is consolidated from a number of sources across our business and is analysed centrally.

We use a variety of methodologies to gather our emissions data and measure each part of our carbon footprint, including packaging and ingredients, natural gas and purchased electricity, refrigerant gas losses, CO_2 fugitive gas losses and transport fuel, water supply, wastewater and waste management and cold drink equipment. We use emission factors relevant to the source data including UK Department for Business, Environment and Industrial Strategy (BEIS) 2022 and International Energy Agency (IEA) 2020 emission factors. We also apply the methodology for reporting beverage CO_2e using the Beverage Industry Environmental Roundtable (BIER) guidance.

Scope 1 figures include direct sources of emissions such as the fuel we use for manufacturing and our own vehicles plus our fugitive emissions of CO_2.

Scope 2 figures include indirect sources from the generation of electricity we use at our sites. We report against this on both a location based and a market based approach. Commitments and key performance indicators are tracked using the market based approach.

Emissions from biologically sequestered carbon in 2022 were 63,500 tonnes of CO_2e, reported outside of the three scopes, in line with WRI/WBCSD GHG Protocol guidance.

The following Scope 3 categories are reported by CCEP in our total GHG emission figures, and are included in our current SBTi target boundary (accounting for ~90% of our Scope 3 emissions):

- Category 1: purchased goods and services (including the packaging we put on the market, the ingredients used in our products, and purchased water)
- Category 3: fuel- and energy-related activities not already included in Scope 1 or Scope 2 (e.g. well-to-tank, transmission and distribution from energy supply to our sites and assets)
- Category 4: upstream transportation and distribution (transportation of finished products paid for by CCEP)
- Category 5: waste generated in operations (emissions from disposal of waste generated at our production facilities)
- Category 6: business travel (including employee business travel by rail and air)
- Category 8: upstream leased assets (including the home charging of company plug-in hybrid electric vehicles (PHEV) and Battery Electric Vehicles (BEV))
- Category 11: use of sold products (including CO_2 emissions released by consumers, in accordance with BIER guidance)
- Category 12: end-of-life treatment of sold products
- Category 13: downstream leased assets (including the emissions generated from the electricity used by our hot and cold drink equipment at our customers' premises)

The following Scope 3 categories are not included in CCEP's current SBTi target boundary, but may be included in our 2022 CDP response, using estimated emission calculations:

- Category 1: purchased goods and services (additional purchased goods and services that are not packaging, ingredients or purchased water)
- Category 2: capital goods
- Category 7: employee commuting (including commuting and home working emissions)
- Category 11: use of sold products (including home chilling)
- Category 15: investments (including investments in joint venture recycling facilities and CCEP Ventures investments)

We use industry emission factors including Defra/BEIS 2022 and IEA 2020 emission factors. Where possible, we have begun to use supplier specific emission factors for sugar beet in Europe. We are working to extend this to other packaging and ingredient suppliers over the coming years. 1.5% of our value chain carbon footprint is based on estimated emissions (e.g. leased offices where energy invoices or the square metre footage size of the site is not available).

External assurance of our sustainability disclosures

CCEP appointed DNV Business Assurance Services UK Limited (DNV) to provide limited assurance over selected sustainability metrics for the year ended 31 December 2022. The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. A table of all sustainability metrics subject to assurance is available within our Sustainability key performance data summary on pages 249-251. DNV has issued an unqualified opinion over the selected data and their full assurance report and CCEP's basis of reporting for assured data is available on cocacolaep.com/sustainability/download-centre.

Glossary

Unless the context otherwise requires, the following terms have the meanings shown below.

2010 Plan	CCE 2010 Incentive Award Plan
Accelerate Competitiveness	proposals announced in October 2020 aimed at reshaping CCEP using technology enabled solutions to improve productivity and include the closure of certain production sites in Germany and Iberia
the Acquisition	under the binding offer made in November 2020, revised in February 2021, acquiring the entire issued share capital of Coca-Cola Amatil Limited from The Coca-Cola Company, under the terms of a Co-operation and Sale Deed, and from shareholders other than The Coca-Cola Company, effected by means of a scheme of arrangement
Admission	the date of the Company's admission to the UK market (28 May 2016)
AFH	Away from home channel
AGM	Annual General Meeting
API	Australia, Pacific and Indonesia region incorporating Coca-Cola Amatil Limited and its subsidiaries
ARR	Annual report on remuneration
ARTD	alcoholic ready to drink
Articles	Articles of Association of Coca-Cola Europacific Partners plc
ATC	Affiliated Transaction Committee
B2B	business to business
BCP	business continuity planning
BEIS	UK Department for Business, Environment and Industrial Strategy
Board	Board of Directors of Coca-Cola Europacific Partners plc
BPF	Business Performance Factor
Brexit	the departure of the UK from the EU
BU	a business unit of the Group
Capex	capital expenditure
CCE or Coca-Cola Enterprises	Coca-Cola Enterprises, Inc.
CCEG or Coca-Cola Erfrischungsgetränke	Coca-Cola Erfrischungsgetränke GmbH (which changed its name to Coca-Cola European Partners Deutschland GmbH from 22 August 2016)
CCEP or the Group	Coca-Cola Europacific Partners plc (registered in England and Wales number 9717350) and its subsidiaries and subsidiary undertakings from time to time
CCEP LTIP	CCEP Long-Term Incentive Plan 2016
CCIP or Coca-Cola Iberian Partners	Coca-Cola Iberian Partners, S.A. (which changed its name to Coca-Cola European Partners Iberia S.L.U. from 1 January 2017)
CCL	Coca-Cola Amatil Limited
CCO	Chief Compliance Officer
CDE	cold drink equipment
CDP	Formerly Carbon Disclosure Project
CEO	Chief Executive Officer (of Coca-Cola Europacific Partners plc)
CFO	Chief Financial Officer (of Coca-Cola Europacific Partners plc)
CIO	Chief Information Officer (of Coca-Cola Europacific Partners plc)
CGU	cash generating unit
Chairman	the Chairman of Coca-Cola Europacific Partners plc
Cobega	Cobega, S.A.
Coca-Cola system	comprises The Coca-Cola Company and around 225 bottling partners worldwide
CoC	Code of Conduct
CODM	chief operating decision maker
Committee(s)	the five Committees with delegated authority from the Board: the Audit, Remuneration, Nomination, Environmental, Social and Governance and Affiliated Transaction Committees
Committee Chairman/Chairmen or Chair	the Chairman/Chairmen of the Committee(s)
Committee member(s)	member(s) of the Committees
Companies Act	the UK Companies Act 2006, as amended
Company or Parent Company	Coca-Cola Europacific Partners plc
Company Secretary	Company Secretary (of Coca-Cola Europacific Partners plc)
COVID-19 (also coronavirus and pandemic)	the Coronavirus-19 pandemic, from March 2020 through all of 2021 and into 2022
CRC	Compliance and Risk Committee, a management committee chaired by the Chief Compliance Officer
Deloitte	Deloitte LLP
Director(s)	a (the) Director(s) of Coca-Cola Europacific Partners plc
DNV	international accredited registrar and classification society
DRS	deposit return scheme(s)

Glossary continued

DTC	Depository Trust Company
DTRs	the Disclosure Guidance and Transparency Rules of the UK Financial Conduct Authority
EBITDA	earnings before interest, tax, depreciation and amortisation
EEA	European Economic Area
EAP	Employee Assistance Programme
EcoVadis	provider of business sustainability ratings
EFSA	European Food Safety Authority
EIR	effective interest rate
EPS	earnings per share
ERA	enterprise risk assessment
ERM	enterprise risk management
ESG	Environmental, Social and Governance
EWRA	Global Enterprise Water Risk Assessment
EY	Ernst & Young LLP
ESPP	Global Employee Share Purchase Plan
EU	European Union
European Refreshments or ER	European Refreshments Unlimited Company, a wholly-owned subsidiary of TCCC
Exchange Act	the US Securities Exchange Act of 1934
Executive Leadership Team or ELT	the CEO and his direct senior leadership reports
E&C	ethics and compliance
FAWVA	Facility Water Vulnerability Assessment
FCPA	US Foreign Corrupt Practices Act of 1977
FIFO	first-in, first-out method
FMCG	fast moving consumer goods
FPI	foreign private issuer, a term that applies to a company under the rules of the Nasdaq Stock Exchange that is not a domestic US company
FRC	the Financial Reporting Council
Fx or FX	Foreign exchange
GAAP	Generally Accepted Accounting Principles
GB Scheme	the Great Britain defined benefit pension plan
GHG	greenhouse gas
Group or CCEP	Coca-Cola Europacific Partners plc and its subsidiaries and subsidiary undertakings from time to time
HMRC	Her Majesty's Revenue and Customs, the UK's tax authority
HoReCa	hotels, restaurant and cafés
HR	human resources
ID&E	inclusion, diversity and equity
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IAS Regulations	International Accounting Standards (IAS) Regulations relate to the harmonisation of the financial information presented by issuers of securities in the European Union
IBR	incremental borrowing rate
IEA	International Energy Agency
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
INEDs	Independent Non-executive Directors of Coca-Cola Europacific Partners plc
IPCC	Intergovernmental Panel on Climate Change
IPF	Individual Performance Factor
IRC	the US Internal Revenue Code of 1986, as amended
IRS	US Internal Revenue Service

Glossary continued

ISAE 3000	International Standard on Assurance Engagements 3000
ISO	International Organization for Standardization
IT	information technology
KPI	key performance indicator
Leadership locations	Production facilities which rely on vulnerable water sources or have a high level of water dependency
LGBTQ+	pertaining collectively to people who identify as lesbian, gay, bisexual, or transgender, and to people who identify as queer or with gender expressions outside perceived societal norms, including non-binary, intersex and questioning of their gender identity and/or sexual orientation, along with their allies
Listing Rules or LRs	the Listing Rules of the UK Financial Conduct Authority
LSE	London Stock Exchange
LTI	long-term incentive
LTIP	Long-Term Incentive Plan
LTIR	lost time incident rate
M&A	merger and acquisition(s)
Merger	the formation of Coca-Cola European Partners plc on 28 May 2016 through the combination of the businesses of Coca-Cola Enterprises, Inc., Coca-Cola Iberian Partners, S.A. and Coca-Cola Erfrischungsgetränke GmbH
NARTD	non-alcoholic ready to drink
Nasdaq	The Nasdaq Stock Market
Nasdaq Rules	the corporate governance rules of Nasdaq
NEDs	Non-executive Directors of Coca-Cola Europacific Partners plc
NGO	non-governmental organisation
OCI	other comprehensive income
OFAC	Office of Foreign Assets Control of the US Department of the Treasury
Official List	the Official List is the list maintained by the Financial Conduct Authority of securities issued by companies for the purpose of those securities being traded on a UK regulated market such as London Stock Exchange
Olive Partners	Olive Partners, S.A.
Opex	operating expenditure
Packageless	Dispense solutions for serving drinks without packaging such as fountain or Coca-Cola Freestyle
Pack mix	the packaging portfolio mix of beverages
Parent Company or Company	Coca-Cola Europacific Partners plc
Paris Agreement	the agreement on climate change resulting from UN COP21, the UN Climate Change Conference, also known as the 2015 Paris Climate Conference
Partnership	the partnership agreement entered into between the Group, the GB Scheme and CCEP Scottish Limited Partnership to support a long-term funding arrangement
Pension Plan 1 and Pension Plan 2	the Germany defined benefit pension plans
PET	polyethylene terephthalate
PFIC	passive foreign investment company
PRN	Packaging Recovery Notes
PSA	Principles of Sustainable Agriculture
PSU	performance share unit
RAS	Risk appetite statement
RGB	Returnable/Refillable Glass Bottle
rPET	recycled PET
RSP	CCEP's Responsible Sourcing Policy, launched in 2022
RTD	ready to drink
ROIC	return on invested capital
RSU	restricted stock unit
SBTi	Science Based Targets initiative

Glossary continued

SDRT	stamp duty reserve tax
SDG	UN Sustainable Development Goals
SEC	Securities and Exchange Commission of the US
SGP	Supplier Guiding Principles
SKU	stock keeping unit
Shareholders' Agreement	the Shareholders' Agreement dated 28 May 2016 between Coca-Cola European Partners plc and Olive Partners, S.A., European Refreshments, Coca-Cola GmbH and Vivaqa Beteiligungs Gmbh & Co. KG
Shares	ordinary shares of €0.01 each of Coca-Cola Europacific Partners plc
SID	Senior Independent Director
SOX or the Sarbanes-Oxley Act	the US Sarbanes-Oxley Act of 2002
S&P	Standard & Poor's
the Spanish Stock Exchanges	the Barcelona, Bilbao, Madrid and Valencia Stock Exchanges
SPO	Sustainable Packaging Office
SSPs	Shared Socioeconomic Pathways
SVA	source water vulnerability assessment
TIR	total incident rate
TCA	EU-UK Trade and Cooperation Agreement
TCCC	The Coca-Cola Company
TCCF	The Coca-Cola Foundation
TCFD	Task Force on Climate-related Financial Disclosures
TSR	total shareholder return
UK Accounting Standards	Financial Reporting Standards issued by the Accounting Standards Board
UKBA	UK Bribery Act 2010
UKCGC	UK Corporate Governance Code 2018
UNESDA	Union of European Soft Drinks Associations
UN	United Nations
unit case	approximately 5.678 litres or 24 eight ounce servings, a typical volume measurement unit
VAT	value added tax
WEEE	EU Directive on Waste Electrical and Electronic Equipment
WHO	World Health Organisation
WMP	water management plan
WRI/WBCSD GHG Protocol or GHG Protocol	the GHG Protocol is the internationally recognised, standard framework for measuring greenhouse gas (GHG) emissions from private and public sector operations and their value chains

Useful addresses

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Share registration

US shareholders:

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Report ordering

Shareholders who would like a paper copy of the Integrated Report, which will be despatched from around 12 April 2023, can make their request by post to the Company Secretary, Pemberton House, Bakers Road, Uxbridge UB8 1EZ, United Kingdom or by making a request via ir.cocacolaep.com/financial-reports-and-results/integrated-reports or by sending an email to sendmaterial@proxyvote.com or by making a request via www.proxyvote.com or by phoning (in the US) 1-800-579-1639 or (outside the US) +1-800-579-1639.

Agent for service of process in the US

The Corporation Trust Company
Corporation Trust Center
1209 Orange Street
Wilmington, DE 19801

Forward-looking statements

This document contains statements, estimates or projections that constitute "forward-looking statements" concerning the financial condition, performance, results, guidance and outlook, dividends, consequences of mergers, acquisitions and divestitures, strategy and objectives of Coca-Cola Europacific Partners plc and its subsidiaries (together CCEP or the Group). Generally, the words "ambition", "target", "aim", "believe", "expect", "intend", "estimate", "anticipate", "project", "plan", "seek", "may", "could", "would", "should", "might", "will", "forecast", "outlook", "guidance", "possible", "potential", "predict", "objective" and similar expressions identify forward-looking statements, which generally are not historical in nature.

Forward-looking statements are subject to certain risks that could cause actual results to differ materially from CCEP's historical experience and present expectations or projections. As a result, undue reliance should not be placed on forward-looking statements, which speak only as of the date on which they are made. These risks include but are not limited to:

1. those set forth in the "Risk Factors" section of this 2022 Annual Report on Form 20-F;

2. the extent to which COVID-19 will continue to affect CCEP and the results of its operations, financial condition and cash flows will depend on future developments that are highly uncertain and cannot be predicted, including the scope and duration of the pandemic and actions taken by governmental authorities and other third parties in response to the pandemic;

3. risks and uncertainties relating to the global supply chain, including impact from war in Ukraine, such as the risk that the business will not be able to guarantee sufficient supply of raw materials, supplies, finished goods, natural gas and oil and increased state-sponsored cyber risks;

4. risks and uncertainties relating to the global economy and/or a potential recession in one or more countries, including risks from elevated inflation, price increases, price elasticity, disposable income of consumers and employees, pressure on and from suppliers, increased fraud, and the perception or manifestation of a global economic downturn; and

5. risks and uncertainties relating to potential global energy crisis, with potential interruptions and shortages in the global energy supply, specifically the natural gas supply in our territories. Energy shortages at our sites, our suppliers and customers could cause interruptions to our supply chain and capability to meet our production and distribution targets.

Due to these risks, CCEP's actual future financial condition, results of operations, and business activities, including its results, dividend payments, capital and leverage ratios, growth, including growth in revenue, cost of sales per unit case and operating profit, free cash flow, market share, tax rate, efficiency savings, achievement of sustainability goals, including net zero emissions, capital expenditures, the results of the acquisition of the minority share of our Indonesian business, the results of the integration of the businesses following the acquisition of Coca-Cola Amatil, including expected efficiency and combination savings, and ability to remain in compliance with existing and future regulatory compliance, may differ materially from the plans, goals, expectations and guidance set out in forward-looking statements. These risks may also adversely affect CCEP's share price. Additional risks that may impact CCEP's future financial condition and performance are identified in filings with the SEC which are available on the SEC's website at www.sec.gov. CCEP does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required under applicable rules, laws and regulations. Any or all of the forward-looking statements contained in this filing and in any other of CCEP's public statements may prove to be incorrect.

Coca-Cola
EUROPACIFIC
PARTNERS

Further together

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Registered in England and Wales
Company number: 09717350

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